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INDIA

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INTERNATIONAL AFFAIRS

CPI Leader Scores U.S. Tactics Toward DPRK

92AS0440A New Delhi PATRIOT in English 29 Nov 91
p 6

[Text] The U.S. inspired psychological war against Democratic People's Republic of Korea (DPRK) on the plea of alleged nuclear weapons programme of the Government is a matter of grave concern, CPI [Communist Party of India] general secretary Indrajit Gupta said on Thursday.

In a statement issued in the Capital, Mr. Gupta noted that threats were being issued that unless DPRK submits its nuclear facilities to international inspection, they could become legitimate targets for bombardment.

DPRK Government is perfectly willing to allow the International Atomic Energy Commission to inspect its facilities, provided similar and simultaneous inspection is carried out in South Korea as well.

This was made categorically clear to Mr. Gupta by President Kim-il-Sung during Mr. Gupta's visit to DPRK earlier this month.

DPRK is already a signatory to the nuclear non-proliferation treaty. Moreover, it rightly demands that the 1,000 U.S. nuclear missiles which are actually located on South Korean soil be withdrawn.

"It is alarming that at a time when top level discussions between North and South for peaceful reunification of Korea have taken a positive turn, the United States is desperately trying to isolate DPRK by its concocted campaign about a non-existent nuclear arms programme in the North," Mr. Gupta added.

Moreover, during his visit to DPRK, Mr. Gupta noted the 'provocative' U.S. military and air exercises, code-named 'Eagle 91' being carried on near the border.

The strong arm tactics of the U.S. authorities deserve condemnation by the international community, which should encourage in all ways the efforts underway for peaceful reunification of Korea and denuclearisation of the entire Korean peninsula, the statement added.

Special 301 Postponement Arouses Suspicion

92AS0437A Madras INDIAN EXPRESS in English
30 Nov 91 p 8

[Editorial: "For Greater Openness"]

[Text] It is unfortunate that the government is prepared to reveal so little on the state of play between India and the US on Intellectual Property Rights (IPR). The issue has generated a great deal of heat in the country over the last five years and caused legitimate concern about India buckling to US pressures. There has clearly been a narrowing of differences between the two countries since Mr P. Chidambaram's talks in Washington with the US

Trade Representative, Ms Carla Hills and her visit to India last month. Dr Manmohan Singh hinted at this when he said at a conference of economic editors that patent protection need not be a hurdle to better Indo-US trade relations. Now there is the postponement by three months of retaliatory action by the US under its Special 301 law. How is this to be interpreted? One view, expressed by Rajya Sabha MPs [members of Parliament], is that India has promised some concessions. If so, the government is not admitting anything just now. The Minister of State for Agriculture who took questions in the Rajya Sabha merely delivered some rhetoric about not sacrificing national interests. What accounts for the better understanding between the US and India can be guessed from Ms Carla Hills' more revealing and unusually conciliatory statements in Washington. She made three points. The United States is now satisfied with trade marks protection in India and progress on copyright protection. It has reason to be hopeful of progress on patents protection in the near future.

There is surely some degree of information about patent talks with the United States that can be provided to Parliament at this stage without jeopardising India's negotiating stance. What assurances have been given to Ms Carla Hills which Parliament does not know about? The only way the government is going to be able to sell some modest or phased changes in the Indian Patent Act to the public is by allowing a rational debate to begin on the pros and cons for our pharmaceuticals, chemicals and food products industries. The American claim that better patent protection in India would help our own research cuts no ice against, for example, the effect on the costs of certain drugs even if they constitute only five per cent of pharmaceuticals produced in India.

There is one positive sounding note in Ms Carla Hills' recent statements. Speaking about movement in patent protection, she said it could come about in the Uruguay negotiations. Is this a sign that America is prepared to give up unilateral trade action (Special 301) and conform to GATT procedures? If so, it is a remarkable change in American attitudes. Special 301 is patently illegal under GATT since it violates the central principles of reciprocity, non-discrimination and transparency. It has been obvious for some time that if the Third World is to get a better deal it would have to come through Uruguay round negotiations where the European community acts as a countervailing force to the United States on Intellectual Property Rights and is opposed to its use of Special 301.

Official Announces Dates of Yeltsin Visit

92AS0423A Calcutta THE TELEGRAPH in English
3 Dec 91 p 2

[Text] Calcutta, Dec. 2—The Russian President, Mr Boris Yeltsin, will visit India in February or March, according to the consul general and head of the cultural department of the USSR consulate in the city, Mr A.A. Sorokin. He said Mr Yeltsin would visit India as the

Soviet Union cherished its longstanding ties with this country. Mr Sorokin admitted that his country was passing through a difficult phase but likened it to the birth of a child.

Earlier, the chairman of the Moscow News Club, Mr Ramen Datta Ray, said to commemorate the 50th year of Indo-Soviet friendship, his organisation was holding a terracotta exhibition at Gorky Sadan from today to December 7. A cultural festival will also be organised at the same venue from December 4 to 6.

Rao, Solanki Attend G-15 Caracas Meeting

27 Nov Speeches Reported

92AS0435A Calcutta *THE TELEGRAPH* in English
28 Nov 91 p 4

[Text] Caracas, Nov. 27 (PTI)—India today called for consolidating the Group of 15 developing countries and suggested the formation of a small, compact and efficient secretariat to cater to the requirements of the Third World forum.

Addressing the meeting of foreign ministers of the G-15 countries, the external affairs minister, Mr Madhavsinh Solanki, said the G-15 grouping held tremendous potential for cooperation not only amongst the developing countries but also with their partners in the industrialised countries.

The foreign ministers met for over an hour before the inauguration of the G-15 summit of heads of state and government by the Venezuelan President, Mr C.A. Perez.

Mr Perez told the G-15 leaders, including the Prime Minister, Mr P.V. Narasimha Rao, that the Third World countries should have a better understanding among themselves.

In his address, Mr Narasimha Rao visualised a meaningful role for the G-15 in promoting South-South cooperation, even though "there are shades of differences among the member countries on some issues."

Mr Rao told Indian newsmen that the forum has now been institutionalised and that India would not be against the composition of the group being enlarged.

Comprising countries from the three continents, the G-15 represents Algeria, Argentina, Brazil, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela, Yugoslavia and Zimbabwe.

Support to Cooperation

92AS0435B Calcutta *THE STATESMAN* in English
29 Nov 91 p 7

[Text] Caracas, Nov. 28—The Indian Prime Minister, Mr P.V. Narasimha Rao, pledged India's support to the promotion of South-South cooperation and called for

making it an effective instrument to revitalize growth and all-round development, reports PTI.

Third World countries should strive to make their mutual cooperation more meaningful and concrete, Mr Rao said in his intervention at the informal session of the summit of the Group of 15 developing countries here.

Extending support to the implementation of South-South projects, Mr Rao said developing countries would carry conviction with their industrialized partners only if they demonstrated their willingness to intensify South-South cooperation.

Focussing on the theme of new international consensus on development, Mr Rao said the G-15 had quite correctly kept its sights at a realistic level and started with modest beginnings.

The projects to sustain South-South cooperation should not remain only symbolic in value but must become the focal points of greatly intensified cooperation in these areas in the future, he said.

The informal session began immediately after the opening of the second summit yesterday evening which heard a passionate plea from four leaders to build a new and equitable world order that would meet the aspirations of the people in developing countries.

The Prime Minister underlined the need to ensure that development remained at the centre of international attention in the future, saying any vision of the future world would remain incomplete as far as developing countries were concerned without a consensus with development as the central concern.

Mr Rao called for a concerted attack on the long-standing problems of development by making use of the historic opportunity of the end of super power rivalry.

Leaders earlier decided that they should function as a modal group to promote cooperation among member countries and act as a catalyst in the dialogue with the developed countries.

In a session held immediately after the inauguration of the summit, the leaders also suggested that the new world order should result in the democratization of the U.N. and its institutions. The meeting also approved six projects in different areas for implementation.

The meeting was addressed by Mr Rao, the Indonesian President, Mr Suharto, the Mexican President, Mr Carlos Sahnas, and the Senegal President, Mr Abdou Diouf.

Meeting's Conclusion

92AS0435C Madras *THE HINDU* in English 30 Nov 91
p 1

[Article by K.K. Katyal: "G-15 Meet Evolves Action Plan"]

[Text] Caracas, Nov 29—The G-15 summit concluded here today after adopting a set of substantive suggestions

and an action programme to remove the imbalances and arrangements that work to the disadvantage of the poor nations. The communique approved by the heads at the closing session, reflected the concerns voiced by them in the last two days with varying degrees of sharpness.

It contained almost all the points made by Malaysia and Zimbabwe with stunning harshness, on the one hand, and India, with its pronounced conceptual stand, on the other. The group resolved to continue its work and even welcomed the participation of other developing countries in its projects.

The three-day meeting ended on conflicting notes. The commitment for the future, reaffirmed categorically, contrasted sharply with the absence from the summit of some of the influential members, Argentina, Brazil and Egypt, a clear pointer of the lack of interest. However, the non-representation at the top of Yugoslavia was understandable in view of the developments within the country. Similarly, the tough stance of some of the participants contrasted with the soft line of others.

Controversy over suggestion: The draft of the communique was approved by the Foreign Ministers who, contrary to the original plan, decided not to join the heads at the retreat at Guri. For eight hours they examined various formulations and produced an agreed document. The suggestion to expand the group—by the Latin American countries—generated some controversy. Even some of those countries which did not send the heads took part in the discussions at the lower levels. Obviously, they wanted to maintain contact, if only to find out the direction the G-15 takes.

India had the satisfaction of seeing in the communique its cherished idea—of precedence for the developmental needs of the poor over issues such as human rights rule of law, democracy. It contained the sentence used by the Prime Minister, Mr. P.V. Narasimha Rao, in his keynote address—“While we advance and support democracy, human rights and the rule of law, we need to ensure that the development remains the centre of international attention.” India was happy that the proposal for its hosting the 1993 summit was approved without difficulty. Next year, it is due to meet in Senegal.

The suggestions for a new international era of cooperation and development (the words “new international order” were deliberately not used) covered both political and economic fields. To demonstrate that the summit meant business, the heads signed the charter, formally establishing the South Trade, Development and Technology Data Exchange Centre (SITTDECO)—a project being handled by Malaysia. “We place great emphasis,” the communique said, “on the value of this project which is unique in that it combines three vital areas of investment, trade and technology” and “promotes the enhancement of the south’s own capabilities in the

collection, classification and dissemination of data to the enhancement of the south-south trade, investment flow and technology transfer.”

Meeting of businessmen: The communique noted the relevance of the meeting of businessmen held here along with the summit. It welcomed the contribution of leading entrepreneurs from the countries of the south to the process of cooperation among them. On their part, the businessmen found the exercise useful as they were able to establish contacts, identify one another’s exportable items. However, it will take time for any concrete result.

The heads acknowledged the importance of recent measures to reduce the indebtedness of the poor nations and called for bolder and more realistic measures in this regard. Noting the recognition by the rich nations of the need to transfer funds to the developing world, it wanted the resources of the international financial institutions and regional development banks to be augmented, along with the increase in official aid.

The communique dealt with international trade, “balanced and successful conclusion of the Uruguay Round,” with a view to increasing substantially market access for the developing world’s exports, regional trading groups, primary commodities, UNCTAD VIII, role of technology and investment, energy, environment and development.

Rao Meets With Envoys in West

92AS0435D Madras THE HINDU in English 2 Dec 91
p 9

[Article by K.K. Katyal: “Prime Minister Has Talks With Envoys in West”]

[Text] Paris, Dec. 1—The Prime Minister, Mr. P.V. Narasimha Rao, yesterday discussed with the Indian envoys in the E.C. countries of Europe the nitty gritty of restructuring the foreign policy so as to give it a pronounced economic content.

On his way back from Caracas, where he had gone to attend the G-15 summit, Mr. Rao discussed for three hours the modalities of exploiting the potentialities that existed in these countries for trade with and investment in India, following the announcement of the new economic policy. He wanted to know from them whether there was a scope for new initiatives. The heads of missions from 11 countries gathered here as part of a larger exercise which will include another meeting soon of the Indian envoys from Eastern Europe—and his trip to Japan (of which the date was not announced).

The participants in yesterday’s meeting spoke of awareness and appreciation of the economic package, as evidenced from the enquiries received from the representatives of industry. According to them, there was need for a data bank, a focal point to get information at the headquarters, and an umbrella organisation in Europe

where details of the new opportunities could be put across. They were told that a data bank was being set up under the auspices of the Trade Fair Authority.

The Prime Minister wanted the envoys to explore the possibilities of sending Indians abroad, now that the country has enough managerial talent, and of investment by Indians or the N.R.I.s in Europe. He suggested that they look for technology, related to agriculture and other items relevant to the Indian conditions.

Meeting useful: Talking to correspondents on board the Air India plane that brought him back here today, Mr. Rao said the meeting with the envoys was useful and gave a good feedback on how to meet the challenge of Europe 1992. He found the reports from the ambassadors encouraging because of the pointers of intensified cooperation. The plan for the meeting concerning East Europe was considered necessary in order to make a new beginning in the area after the recent momentous changes. According to him, it was possible to begin afresh economic cooperation with the region on a large scale.

In his opening remarks, the External Affairs Minister, Mr. Madhavsinh Solanki, told the envoys the purpose of the meeting—"to exchange views on the manner in which India's foreign policy should be structured and new orientation given to the activities of the missions abroad, especially in this region, because E.C. countries are a target area for our economic strategies." He referred to the changes in Europe and a whole new world of economic opportunities that was opening up.

The heads of missions who attended the meeting included Dr. L.M. Singhvi, U.K., Dr. Arjun Sen Gupta, Brussels, Mrs. Manorama Bhalla, Madrid, Mr. H. Bhalla, Lisbon, Mr. V.K. Grover, Hague, Mr. Kuldip Sahdev, Rome, Mr. C.P. Ravindranathan, Dublin, Mr. P.K. Singh, Athens, apart from Mr. C.V. Ranganathan, Paris. Bonn was represented by the charge d'affairs, Mr. S.N. Puri. Also present were the foreign secretary designate, Mr. J.N. Dixit and Mr. A.N. Varma, Principal Secretary to the Prime Minister.

Rao Delhi Press Conference

92AS0435E *Bombay THE TIMES OF INDIA*
in English 2 Dec 91 p 1

[Text] New Delhi, December 1—The Prime Minister, Mr P.V. Narasimha Rao, said today that the developing countries should take advantage of the changed and more positive approach of the industrialised nations to solve the economic ills afflicting the world.

Addressing a press conference immediately after his return here from the G-15 summit at Caracas in Venezuela, Mr Rao emphasised that the North and the South should give up the confrontationist approach and adopt a co-operative attitude for the overall good of mankind.

He warned that continued confrontation between the developed and developing countries would ultimately

prove detrimental to the latter. This is essential to find solutions to the economic problems of both the North and the South, he observed.

Mr Rao was of the opinion that even though the developed and developing countries had different perceptions about the future global economic scenario, the North and the South could provide a new impetus to their dialogue, thereby, evolving a common approach.

He said the experience of the two G-15 summits held so far had shown that one could now look forward to an era of purposeful and cohesive working in projecting the interests of developing countries both in taking positions in discussing global matters with developed countries and also in forging ahead with South-South co-operation.

The prime minister was happy that for the first time such a meeting of heads of state and government had advanced far beyond resolutions and discussions. In this context, he pointed out that certain specific subjects had been accepted at the Caracas summit.

He said all the subjects were relevant and vitally important for the developing countries as well as the industrialised North. Each country had taken upon itself the duty of becoming the nodal point in one or two of these subjects.

Mr Rao said India would coordinate the efforts in two important projects—solar energy and the setting-up of a gene bank. While technologies in these two spheres were not yet fully developed, India would make determined efforts to achieve a breakthrough and tap their tremendous potential.

He also felt it was a good idea for all the delegations attending the Caracas summit to be represented by a large contingent of businessmen from their respective countries. He disclosed that the captains of Indian industry were pleased with their visit and proposed visiting a few other countries in the region which he described as a new development initiated by the political leadership.

He said there had been a distinct possibility of the central theme of development being blurred or relegated to the backseat in the Caracas declaration. The efforts of India and other countries in this regard helped in ensuring that undivided attention was focussed on development.

Giving an overview of the G-15 summit at Caracas, Mr Rao said it was a good experience which provided an opportunity to renew old associations and have bilateral meetings with several of the leaders.

He said the prospects of India gaining an entry into the European market next year was "fairly bright" and several countries of the grouping were favourably inclined to this country being accorded importance in economic co-operation.

"Naturally," the Prime Minister said, "we have to do a lot homework. Just by their promise or our request, it is not going to happen. It would be my endeavour that this initiative is taken at the earliest and when the event of integration takes place (next year), we are not found wanting," he added.

UK To Grant 50 Million Pound Energy Aid

92AS0445A Calcutta *THE STATESMAN in English*
26 Nov 91 p 7

[Text] Bombay, 25 Nov—Britain is to help India on the energy front and giving the country £[pound sterling]50 million as part of the aid package in the area of cost-effective generations, transmission and distribution and use of electricity supply, reports PTI.

Announcing this at a two-day seminar on "energy efficiency management" here today, Britain's Industry Minister, Lord Reay, said this was necessary to contain the need for fossil fuel generated power and thereby reduce environmentally damaging emissions of carbon.

Referring to his country's drive towards energy conservation, the Minister said that it was possible to save 20 percent of the nation's energy bill through cost-effective methods and available technology to improve energy efficiency. This would translate into a saving of £10 billion a year or Rs[rupees]47,000 crores, which was equivalent to the wealth created annually by the North Sea oil and gas industry, he said.

The seminar was jointly organized by the confederation of engineering industry and Britain's Department of Trade and Industry.

Lord Reay today said that India was in need of an efficient energy management system as presently it was experiencing rapid industrial expansion, high energy costs, limited energy resources and a rising chorus of environmental concerns.

Addressing a two-day seminar on Energy Efficiency Management, Lord Reay said the new energy conservation technology would contribute significantly towards the country to meet challenges on the energy front.

Stating that most of UK's aid programmes for India was in the energy sector, particularly power generation, the Minister said that there were currently several new projects in the pipeline.

He expressed regrets over the slow take-up of the £50 million aid. "Aid is available for studies and we would like to see some new proposals put forward," he said.

Inaugurating the seminar, the Maharashtra Minister for Energy, Mr. Padamsingh Patil, said the Central Government, along with various research institutions, were trying to work out an optimal energy model for the whole country in the next decade.

This, he said, was an area where India would welcome technological support from countries like the UK, which has considerable experience in this area. There was immense scope for resorting to energy conservation and energy efficiency management systems in Indian industries, he said.

Earlier, welcoming the participants, Mr. Rajesh Shah, chairman, Confederation of Engineering Industry (CEI, Western Region), said the CEI was working to evolve a national energy strategy and policy which would cover all energy resources such as oil, gas, electricity, non-conventional energy in order to develop plans on an integrated basis.

This, he said, was important given the country's heavy dependence on imported crude oil and the enormous impact it was making on the country's foreign exchange resources.

The seminar is being jointly organized by Britain's Department of Trade and Industry and the CEI.

Commentary Examines Motives of Chinese Leader's Visit

92AS0409A New Delhi *JANSATTA in Hindi* 10 Dec 91
p 6

[Article by Banvari: "Li Peng Didn't Just Come To Make Friendship"]

[Text] A top leader of China is visiting India after 31 years. India had already taken the initiative of filling this vacuum in 1988, when Rajiv Gandhi visited China. The Chinese prime minister's visit to India is part of that chain; however, it is not limited to this. Rajiv Gandhi's purpose was to extend a friendly hand to China. Both countries have been desirous of forgetting the bitterness of the 1962 war and of becoming friends again. This time, however, Chinese Prime Minister Li Peng is not visiting India just to improve relations between India and China. He has a greater cause.

The Chinese leaders are very worried now that the Soviet empire has fallen. This worry is not related to the future of communism. The Chinese have as much faith in communism as the Soviets. The way the Soviets threw away the veil of communism when it was necessary is the same way the Chinese will throw away their veil. The reason that they are not doing so now is that they still need the centralized Chinese administrative structure that was made possible by the communist system.

The main reason for the Chinese worry is that the balance of power in the world has been disrupted after the fall of the Soviet Union. China felt rather independent because of the rivalry between the two superpowers. Now the United States has an increased role in the world power structure, and the Chinese leaders must be worried, both at home and internationally. The Chinese

leaders are very proud nationalists and are very ambitious. They will not easily accept the supremacy of the United States or any other country in the world.

At the same time, China knows that after the fall of the Soviet system, Russia will have a better opportunity to become a powerful nation. China just cannot ignore the possibility of the emergence of a new nationalist Russia right at its borders. Europe is trying to emerge as a new power center in the Western world. The European leaders have declared themselves as the new rivals of the United States of America. This new rivalry will not give any satisfaction to China, because the U.S.-Soviet Union rivalry was at the international level, and it provided a kind of protection to the other power centers of the world. The rivalry between the United States and Europe is a separate one in Western society that will not benefit societies outside of the West.

China has always claimed to be another center of world power, and understands this competition among the world powers. It is trying to form its strategy now. In this context, its attention has been attracted toward India. It wants India to help it balance the structure of world power. Because of this desire, its attitude toward India has changed considerably. The efforts to improve relations between India and China have been afoot for some time; however, they had a limited sphere. This time around, China wants to establish a new kind of partnership with India so that the strength of the two countries can be used to influence the world power structure directly and indirectly.

India is naturally worried about the changes in world politics just as China is; however, the style and approaches of both nations are different. India does not view itself as a rival in the international power structure. Its policies are dictated by general consensus and it tries to create pressure that can result in various options in the world. Currently, India is not strong enough to be effective in these efforts. Therefore, India's initiative can be considered to be either emotional or a weak third voice.

In spite of the differences in character between India and China, there can be room for cooperation between the two countries. The imbalance of power that China wants in order to get India's attention is not imaginary. This imbalance will affect India strongly. India will also have to make sure that the structure of world power is multicentered, and not controlled by one superpower. We also have to keep in mind that if world power is concentrated in one region, then India will not have much of an opportunity for progress.

Therefore, if there has been a change in China's 31-year-old stand, then we should welcome it; however, we should be clear about what kinds of relations can be established between the two countries. We have seen two extremities in attitude towards China. There are people who are not ready to pardon China for the 1962 Chinese aggression until China returns the land it took from

India. On the other hand, there are people who raise the slogan "Indians and Chinese are brothers" very emotionally. Both of these extremist groups are hindering the establishment of a realistic relation between India and China.

There cannot be any permanent friendship or enmity between countries like India and China. Both change their policies according to their national goals, and their relationships can be based on any practical reason. We should understand the peculiarity of the Chinese character; that they are self-centered, and China is trying blindly to become a world power. It had attacked India just to show that it was the stronger nation, and that other nations should take it seriously when compared to India. At that time, because of some historical reasons, Indian leaders were closed to European powers, and India was playing a more visible role than China in world politics. China managed to make Europe and the United States of America accept it as a major power after defeating India. It could not succeed, however, in changing the Indian image in non-Western nations because of India's more universal stand.

Anyhow, China does not consider India to be a strong rival any more. During this long period, China felt that India had a lot of potentials. It may not be able to claim itself as a powerful nation in the world, but it has the intellectual and political capability to influence the world power structure. The Chinese leaders tried to understand India's industrial and educational system recently, and their opinion of India's capabilities has changed a great deal. Now Chinese leaders feel that India has a lot of original talent and the ability to start new institutions. They feel that they can learn a lot from India in this area.

China also understands that India, unlike China, is not in line to become a world power. Therefore, it does not see any immediate danger from India. It also feels that India has a special status in the world, because of its ancient civilization. The Chinese people are also impressed by this image. Therefore, if India and China cooperate, then China will benefit, and there is no possibility of any harm.

India has no reason to worry about China's designs. India will not want to establish an organization with China. It still wants to make sure that the structure of world power is multicentered, and that the whole power is not concentrated in one part of the world. Therefore, in order to maintain the balance of power in the world, India should get cooperation from China and help it. The way that Western nations are now trying to corner Japan has also alerted many people in India. Therefore, cooperation between not only India and China, but also between China and Japan, should be started. This should not be the formation of another organization.

There might be some obstacles. The greatest problem is the disagreement over the border. Chinese and Indian leaders are advocating for efforts to resolve this issue

through practical means; however, this is not as easy as it seems. India does not have just few problems in this border issue, because India's defeat is associated with it. This has made it an emotional one for the Indian people. China also understands this, and is not in a hurry to raise this issue.

The border issue and other problems can remain between India and China. It will take time to resolve them, and at times, resolutions to such problems will give birth to other new problems. These issues should not hinder cooperation in world politics, however, between the two countries. All these issues have their own place. It appears that our government has also felt this, and there should be no problem in talking with Li Peng and establishing new relations with China.

Improvement in Relations With Israel Foretold

Consensus Reached

92AS0428A Madras THE HINDU in English 28 Nov 91
p 6

[Article by F.J. Khargamvala: "Decision on Ties With Israel Taken"; quotation marks as published]

[Text] Manama (Bahrain), Nov. 27—A conceptual consensus about upgrading ties to Israel has been forged among the decision makers in India. It represents a compromise between the emerging regional realities, national sentiment and a longstanding principled stand on prerequisites for establishing diplomatic relations with Tel Aviv. In practice India is yet to initiate open measures that would facilitate not just official contacts with senior echelons within the Israeli Government but also Palestinians in the occupied territories who too are an important element in the emerging realities in West Asia.

The External Affairs Minister, Mr. Madhavsingh Solanki, last week told the Parliamentary Consultative Committee that full diplomatic ties are conditional upon "genuine progress" (not genuine 'settlement') in West Asia. This is a shift publicly stated for the first time. It is also a clear message that India wants some forward movement in West Asia that would partially address New Delhi's officially stated earlier position. January might be a decisive month because Israel's request for a \$10 billions loan guarantee is to be reconsidered by the U.S. if Israel so requests.

It is still uncertain if Washington will agree in the event Israel does not effect a freeze on Jewish settlements in the occupied areas. Also uncertain is whether India will consider such a freeze as sufficient "genuine progress." India's position is almost identical to that of China. Last year, the Soviet Union had also announced the same precondition, though Moscow's barometer of whether it had been met was conditioned by its desire to be the junior cosponsor of a peace conference. In any case, the reasons why India and the Soviets did not have ties with Israel were never identical.

Diplomatic relations: A few weeks ago, the External Affairs Ministry had drawn up a detailed paper recommending to the country's political leadership that India should take step by step measures leading to full diplomatic relations. As a beginning the ranking Israeli diplomat in India, based in Bombay was to be informed that he could visit Delhi for an official discussion with the Joint Secretary (West Asia and North Africa) in the foreign office. The decision to convey this to the Israeli official, Mr. Giora Becher, was deferred at the instance of India's political leadership until after the recently held byelections.

The reason for postponing such official contact reinforces the well known but officially never stated view that the Government is sensitive about domestic Muslim sentiment. This correspondent's effort to contact Mr Becher to ascertain if he had received any such communication from New Delhi after the byelections was unsuccessful.

During the kidnapping incident of Israeli tourists in Jammu and Kashmir last summer, the Government of India officials had perforce to deviate from a policy of denying access to Mr. Becher whose consular jurisdiction covers Kerala and Maharashtra. The measure of giving him this access during a non-crisis period is clearly a well thought out and realistic step that could be considered as the thin end of the wedge. In a sense it also reflects the crumbling of a wall between the West Asian territorial division and the America's division in the foreign office. The latter has traditionally been in support of moving closer to Israel in the expectation of a positive fallout within the U.S. Congress.

Trade not affected: Actually, the absence of formal ties has not impeded trade and other contacts with India's private sector.

Investment in Palestinian cause: For decades India has made a solid political investment in the Palestinian cause. This principled position needs to be fortified by more content. Sixty-seven Palestinian economists inside the territories and 20 outside them are preparing an outline economic plan for submission to the PLO headquarters in Tunis at the end of this month. The draft plans visualise a sum of \$13 billions over five years being invested and the implementation is to begin as soon as a transitional autonomy phase is effected, assuming Israel does vacate or agree to autonomy in areas of trade, as expected.

Some Indian observers might express scepticism about the ability of the Palestinians to mobilise such a sum or on the autonomy aspect. Quite obviously they have not studied the pattern of aid by expatriate Palestinians. Even if such a huge sum cannot be obtained from them, Japan and others are going to be part of the Phase III multilaterals for exactly such help. Moreover, it is visualised that the Palestinians will enter into a form of confederation with Jordan, hence the initial market is not all that small.

In any case, Indian decision makers would never get the picture unless they find out first hand. It would not do to stick to outmoded "Babu" ways of doing things like asking the Ambassador in Tunis to get the plan from the PLO. Indian officials and business must be encouraged to make contacts with the leaders within the territories, the engineers, economists, traders, dealers in engineering goods, etc.

Specific Steps Considered

92AS0428B Madras *THE HINDU* in English 4 Dec 91 p 9

[Article by K.K. Katyal]

[Text] New Delhi, Dec. 3—Upgrading ties with Israel, short of establishing diplomatic contacts, is envisaged in the tentative proposals, formulated at the administrative level—indicating a departure from the firm "no change" stance of the past. The final decision, however, rests with the political leadership.

At least three specific ideas, intended to be implemented either together or in stages, have been mooted during discussions that began some time ago but picked up just before the Arabs and Israeli representatives were present at Madrid in their first ever face-to-face meeting. These are: 1) Permission to the Israeli consul now based in Bombay, with his jurisdiction confined to Maharashtra and Karnataka, to come to Delhi for official contact, (perhaps, also for the discharge of other official functions); 2) Appointment of an honorary consul in Tel Aviv and 3) Removal of the ban on Indian officials establishing contacts with the Israeli counterparts at international fora.

The decision on the nature and content of the diplomatic relations has not been easy for the Government to take. For years, it was committed to a categorical line—no formal ties with Israel until the right of the Palestinians to a homeland is recognised. The post-cold war era holds promise of changes, considered inconceivable not very long ago. Madrid was a significant landmark. Although the prospects of a settlement, acceptable to the two sides, are as remote as ever before, it did bring out the U.S. preference for a step-by-step approach, beginning with limited autonomy for the Palestinians in the West Bank region. The scenario in the future does not exclude a reduced toughness in the postures of the two sides or advance towards an accord on the basis of the U.S. proposals. If that happens—and the Palestinians themselves agree to something less than an independent homeland, to start with—India would, obviously, not stick to technicalities in terms of its past commitment.

A positive view: India, unlike some other countries in West Asia, takes a positive view of the process, beginning with Madrid, while being realistic enough as not to pin undue hopes on it. The course of the post-Madrid exercise is watched here keenly and a significant indication of a movement forward could trigger fresh interest in decision-making (on ties with Israel).

At the moment, the outlook for a resumed meeting between the Arabs and Israelis—somewhere in the U.S.—are uncertain. The U.S. would like the talks to begin tomorrow, but Israel insists on a delayed start—on December 9. There is no clear statement by Washington on what it would do if the Israelis fail to show up for the meeting tomorrow. "We are prepared to have the talks begin and we will wait and see how the parties work this out," is the only official comment. The Israelis, the U.S. notes, "are committed to participate and we believe they will. We are prepared to begin the talks on December 4 and we will just wait and see what happens."

Notes Exchanged on Japanese Loan, Grant

92AS0421A Bombay *THE TIMES OF INDIA* in English 10 Dec 91 p 13

[Text] New Delhi, December 9—Japan and India today exchanged notes on the Japanese soft loan and a grant assistance totalling yen 67.1 billion (about Rs [rupees] 1,344 crores) to the government.

The loan assistance amounting to Y[yen] 56.1 billion is being extended in accordance with the pledge made by Japan at the Aid-India consortium meeting held in Paris in September this year.

The total Japanese official development assistance (ODA) loans for India in 1991 financial year total Y 106.6 billion (Rs 2,132 crores). This includes the two emergency loans, each amounting to Y 20.3 billion (\$150 million), extended earlier this year in response to an urgent request made by the government for immediate balance-of-payment assistance.

Japan's ODA loans in the current year, notes for which were signed today by the Japanese ambassador, Mr Shunji Kobayashi, and the economic affairs secretary, Mr Montek Singh Ahluwalia, on behalf of their respective governments, represent an increase of 1.7 percent over the previous year in terms of yen. The increase in terms of rupees is more than 50 percent because of the depreciation of the rupee.

A Japanese embassy spokesman told newsmen that the present level of ODA, which makes Japan the largest bilateral donor of development assistance to India, would be sustained next year also, despite Japan's widening fiscal deficit.

The ODA loan package which carries an annual rate of interest of 1.6 percent and is repayable in 30 years, including a grace period of ten years, covers five projects. They are Gandhar gas-based power project (ii) (Y 42,599 million), National Highway No 2 improvement project (Y 4,855 million), New Bombay water supply project (Y 6,788 million), Aravali hill forestation project (Y 8,095 million) and Ajanta-Ellora conservation and tourism development project (Y 3,745 million).

Of the Japanese grant assistance of over Y 1 billion, Y 339.42 million is being provided as a debt-relief grant, Y

719 million, for modernisation of education facilities at Pune Engineering College, and Y 45 million for facilitating teaching of Japanese language at Jawaharlal Nehru University.

Replying to questions on Japanese investment, the embassy spokesman said that 10 applications for joint ventures were pending. The projects included Indo-Asahi glass factory, and some food processing projects but the total investment involved was not large.

He said that a high-level business delegation, headed by the president of Japanese Chamber of Commerce, Mr R. Ishkawa, would visit India in the last week of January to assess the investment climate here.

Replying to a question on utilisation of Japanese loan assistance, the spokesman said the Japanese government had suggested to India that the customs duty on imported equipment for projects being set up with Japanese assistance should be waived to ease the financial burden of the state governments.

As for the ODA assistance, the spokesman said the level of defence expenditure in India would not come in the way of continuing assistance to India. Japan did not think that the defence expenditure, which was about 3.5 percent of India's GNP [gross national product], was too high.

Indo-Bahrain Economic Panel Meets, Decisions Noted

92AS0420A *Bombay THE TIMES OF INDIA*
in English 27 Nov 91 p 21

[Text] Bahrain, Nov. 26 (PTI)—India and Bahrain have stressed the need for enhancing co-operation in the fields of trade and industry and agreed to explore the possibility of joint ventures.

The Indo-Bahrain joint committee for economic and technical co-operation, in its two-day meeting which ended last night, agreed to strengthen bilateral co-operation and exchanges in the fields of power, water sewerage and public works, trade and commerce, industries and projects, health and pharmaceuticals, education and culture, youth and sports.

Agreed minutes to these effects were signed by the visiting external affairs secretary, Mr I.P. Khosla, and Dr Salman Al Saffar, director of economic affairs in Bahrain's ministry of foreign affairs. Dr Salman describing the meeting as "very fruitful" said "I hope what we have achieved on papers will be translated in action."

India has evinced keen interest in a number of projects coming up in the island on a turnkey, contract or consultancy basis.

Both sides also agreed to encourage exchange visits by the members of chambers of commerce and industries as well as to encourage business community to participate in trade fairs.

India has agreed to provide training facilities, consultancy and technical know-how for development of fisheries in Bahrain.

The two sides also agreed to explore the possibility of joint ventures for storage facility/warehousing in Bahrain and packaging of tea, down-stream aluminium industries, development of the fisheries sector and for waste recycling.

During his visit to the island, Mr Khosla called on the Amir of Bahrain, Sheikh Isa Bin Salman Al Khalifa, and the prime minister, Sheikh Khalifa Bin Salman Al Khalifa.

REGIONAL AFFAIRS

OIC Urged Not To Interfere in Indo-Pakistan Issues

92AS043A1 *Madras THE HINDU* in English 5 Dec 91
p 9

[Article by K.K. Katyal]

[Text] New Delhi, Dec. 4—India today questioned the authority of the Organisation of Islamic Conference (OIC) to interfere in its relations with Pakistan or in any issue arising there from, including Kashmir.

The OIC has no locus standi, whatsoever in the matter, said the Foreign Office spokesman, reiterating the Government's known stand—that there was no question of accepting any good offices, fact-finding or mediatory missions.

This was his reaction to reports of Pakistan's active bid to seek endorsement by the OIC Summit, due to meet in Senegal from December 9 to 12, of the resolution passed by its foreign ministers in August at Istanbul. Considering the Islamic fervour, that is generated at such meetings, Pakistan is unlikely to face any difficulty in achieving its objective, especially because it had projected Kashmir as a religious issue and others in the Organisation accepted this position.

Reiterating in the preamble the right of the principles of self-determination, the Istanbul communique had: 1) expressed concern at the alarming increase in the indiscriminate use of force and gross violation of human rights, 2) condemned the massive violation of human rights and called for the respect of human rights, including the right of self-determination, 3) called upon India to allow international human rights groups and humanitarian organisations to visit Jammu and Kashmir, 4) requested the Secretary-General to constitute a three-member fact-finding mission to visit Jammu and Kashmir, and 5) decided to place Jammu and Kashmir on the agenda of the OIC summit in Dakar, Senegal.

The spokesman's reaction today was a repetition of the line taken by New Delhi in August and conveyed to the member-countries—the same stress on the OIC having

no locus standi, disapproval of the move to treat Kashmir as a religious issue, rejection with the same force of any form of mediation and the same expression of regret that Pakistan sought to use international fora for a campaign against India. As then so now, the OIC members are being told that the support to Pakistan's stand would undoubtedly encourage it "to step up its sponsorship of terrorism and subversion directed against India."

New Delhi could have better ignored the OIC and its rhetoric but it has sought to put the record straight, through contacts with individual members. The first course would have amounted to an effective rebuff to the collective stand of its members, in a situation when most of them do not take that extreme position individually. This was clear during the External Affairs Minister, Mr. Madhavsinh Solanki's recent talks in Iran, where his hosts, while explaining the rationale of their concern over matters involving the Muslims, favoured solution of Indo-Pakistan problems through bilateral discussions. Last month's visit here of a senior minister from Saudi Arabia, accompanied by a large delegation of top industrialists, demonstrated its anxiety to do business with India, at various levels.

The timing of these contacts was significant. Perhaps the two governments sought to convey a message—"do not misunderstand us because of our association with a tough resolution, which may not be to your liking."

The working of the OIC's secretariat and the attitude of its secretary general does not have a semblance of even-handedness. This provides Pakistan with a wide enough opening to proceed with its mission. Pakistan's role in such situations only strengthens the views of the sceptics about Islamabad's professions. It puts on the defensive those who would like the Government here to follow up the positive pointers, thrown by the talks of the two Prime Ministers, Mr Narasimha Rao and Mr Nawaz Sharif, at Harare.

Outcome of Meeting With Pakistani Defense Delegation

92AS0430A New Delhi PATRIOT in English 30 Nov 91 p 5

[Text] Defence Minister Sharad Pawar on Friday said India and Pakistan have agreed to reactivate the existing telephone links between Baramulla-Murree and Rajouri-Jhelum for use by the concerned sector commanders in case of border clashes, reports PTI.

The minister said the decisions were taken at a meeting of the defence delegations of the two countries in Pakistan in September this year.

In a written reply to Mr Gopinath Gajapathi and Mruyunjaya Nayak, Mr Pawar said it was also agreed to establish communication links between the air force and naval headquarters of the two countries.

The two countries already have hotline between the army headquarters.

The Defence Minister said the Government constantly endeavours to maintain a dialogue with Pakistan in order to de-escalate the situation on the border.

An agreement was also reached between the Indian and Pak Director General of Military Operations (DGMO) to prevent use of artillery, mortar and rocket fire along the Line of Control (Loc) with effect from October 16, 1991.

He said both sides also agreed to enhancing interaction and exchanges, including participation in seminars organised by the respective institute of strategic studies, exchange of sports teams, etc.

Pressure on Pakistan Brought About Radu Release

Linked to Bartholomew Visit

92AS0451A Bombay THE TIMES OF INDIA in English 28 Nov 91 p 7

[Article by Subhash Kirpekar: "Western Powers' Hand in Radu's Release"]

[Text] New Delhi, 27 Nov (The Times of India News Service)—The pressure of Western powers on Islamabad prompted the Sikh extremist organisations responsible for the kidnapping of Mr. Liviu Radu, the Romanian diplomat, to release him. So immense was the pressure that their demand for the release of the killers of the late Gen. A.S. Vaidya was brushed aside, well-informed sources said here yesterday.

Linking the visit of Mr. Reginald Bartholomew, the U.S. under secretary of state for international security affairs, to Islamabad and the subsequent announcement of the second Panthic committee headed by the Pakistan-based Dr. Sohan Singh to release the diplomat, the sources said that expression of U.S. concern over the Pakistani sponsorship of terrorism in Punjab and Kashmir was communicated directly and deliberately.

The impact has been visible—the release of Mr. Radu after 49 days in captivity. During this period, Mr. Radu was shifted from place to place in Delhi and taken to Faridabad, Jalandhar and Ludhiana, the sources revealed.

Although the Radu episode has ended on a happy note, the sources hastened to point out that his regained freedom did not mean that the Inter-Services Intelligence (ISI) of Pakistan would in any way dilute its policy of keeping up a steady level of turbulence and terrorism in Punjab and Kashmir through its surrogates.

Just prior to Mr. Bartholomew's visit to Islamabad, a high-level meeting presided over by the President, Mr. Ghulam Ishaq Khan, and attended by the Pakistan Prime Minister, Mr. Nawaz Sharif, Gen. Asif Nawaz and

the director-general of ISI approved a strategy paper for ISI-sponsored operations in Kashmir, the sources stated.

The high-level meeting reviewed the situation in J and K [Jammu and Kashmir] after the kidnapping of Rubaiya, daughter of Mufti Mohammed Sayeed, nearly two years ago and immediately after he became the Union home minister in the National Front government. The meeting indicated the lines on which it proposed to keep up pressure on India through terrorist elements trained, funded and armed by it. It also stressed the importance of mounting international pressure on India on the Kashmir issue, sources said.

The strategy was that the buildup of international pressure and of violent terrorist action in the valley should be in step with each other. If one overtook the other, it could prove counter-productive. Fine tuning of the two aspects was called for, it said.

It also wanted that in its contingency planning, the Pakistan army should take into account the possibility of India finding itself constrained to hit back at Pakistan militarily at some stage. Therefore, Pakistan should prepare itself for such an eventuality and ensure that it was not taken by surprise.

Before discussing the strategy paper, the President had sought the views of a number of senior retired officers of the army and the ISI. Amongst them, Gen. Beg, former chief of army staff who retired in August 1991, shared the view at a seminar organised by friends in Lahore on 13 November with the Pakistan-occupied Kashmir (PoK) Prime Minister, Mr. Qayyum Khan, that there would be an Indo-Pak war. Gen. Beg maintained that India would not be able to win the war.

Expressing concern over the hawkish statements of Gen. Beg, an editorial in THE FRONT POST of Peshawar on 16 November regretted that neither the Pakistan Government nor the opposition had any idea of what was happening to the Kashmiri struggle. It cautioned that the Kashmir war was going to develop into the same kind of imbroglio that the Afghan war had become for Pakistan, the only difference was that while the latter was funded, aid from Washington to Pakistan was likely to stop in the case of the Kashmir issue. The newspaper disagreed with Gen. Beg's contention that once the number of Indian troops in the valley reached 500,000, India will start breaking up. "The truth of the matter about Kashmir is that it is a colossal internal blackmail of Pakistan," the editorial said.

Shortly after the strategy paper was approved by the high-level meeting, the ISI sponsored the holding of another international conference on Kashmir in Britain on 17 November. The PoK prime minister attended the conference at which a number of British MPs [members of Parliament] made speeches critical of India, the sources said.

The conference was personally supervised by Brig. Mohammed Saleem, head of the Kashmir division of the

ISI. Amongst others who played an active role in organising the conference were two officers of the Pakistan intelligence bureau headed by Brig (retd) Imtiaz and both of whom are posted in the Pakistan high commission in London. Sources gave their names as Mohammed Mahmood and Mohammed Rafiq.

Interestingly enough, the kidnapping of Mr. Radu involved Mr. Pervez Afzal, an ISI officer who was previously posted in the Pakistani embassy in Kathmandu during the mid-80s and who is currently in charge of the ISI operations for assisting Sikh extremist organisations. He reached Kathmandu, sources said, and called a number of Sikh extremist elements from Punjab and the Terai area of U.P. for a meeting prior to the kidnapping of Mr. Radu. Among those who met him were Pritam Singh Sheikon, who was subsequently to play an important role in the kidnapping and shifting of Mr. Radu from place to place.

Mr. Pervez Afzal and his associate, Mr. Mohammed Sajid Ashraf, another ISI officer who was also previously posted in the Pakistani embassy in Kathmandu also during the mid-80s, stayed in Nepal throughout October.

During this period, besides the kidnapping of Mr. Radu, the nation witnessed with benumbed grief and shock the explosions in the Terai region of U.P. [Uttar Pradesh] killing a large number of innocent people who had assembled for the Dasara celebrations.

Presently, Mr. Pervez Afzal has his headquarters in Islamabad while Mr. Ashraf is in the Pakistani mission in Seoul. The two have been frequently meeting in Nepal for discussions with extremist elements from Punjab and the Terai and also with Kashmiri extremist elements who are unable to cross over into PoK due to tight patrolling by the Indian army on the Indo-Pak border.

Pakistan Intelligence Reaction

92AS0451B Bombay THE TIMES OF INDIA
in English 30 Nov 91 p 9

[Text] New Delhi, 29 Nov (The Times of India News Service)—Pakistan's Inter-Services Intelligence (ISI) is not particularly happy with the manner in which the Heera faction of the Sikh Youth Federation handled the kidnapping of the Romanian diplomat, Mr. Liviu Radu, and may seek to engineer another incident involving a "more high-value target," according to official sources.

The kidnapping, they say, is only the tip of the iceberg. It formed part of a conspiracy with international ramifications, aimed at showing India in poor light. Those involved apparently expected some quid pro quo which eluded them.

During the 48-day detention of Mr. Radu, the ISI maintained direct contact with the kidnappers.

The head of the federation group, Bahadur Singh Heera, lives in Germany. He and other federation leaders in the

United Kingdom, the United States, Canada and Switzerland are also reported to have maintained daily contacts with one another on the phone.

Attempts were made to pass on instructions to the kidnappers. The telephone conversations were intercepted by some foreign agencies and communicated to the Indian authorities, it is stated.

On 12 October, leaders of the Heera faction had boasted that Daljit Singh Bittoo, a former student of the Punjab Agriculture University in Ludhiana and now a member of the Panthic committee (second), was instrumental in the kidnapping.

The sources say that the ISI, dissatisfied with the handling of the kidnapping affair, may try to reorganise the Panthic committee (second), based in Pakistan and create another incident involving a more important personality to cause added embarrassment to India. Some of the likely "targets" are said to have been identified.

Bittoo went to Pakistan in 1990. After June that year, the visits became more frequent and prolonged: He participated in a meeting in June 1990 at which the ISI tried to bring about some kind of a rapprochement between the first and second Panthic committees.

What has particularly dismayed New Delhi is that at a time when Pakistan is lending active support to terrorist and subversive elements in Kashmir and Punjab, some leaders in Britain and the United States have chosen to champion the cause of self-determination.

They point out that if their yardstick is applied, especially in the context of the recent developments in the Baltic states, it would lead to the reopening of a plethora of issues considered closed.

Pakistan Said Engaged in Undeclared War

92AS0327B New Delhi JANSATTA in Hindi 25 Nov 91
p 7

[Article by Madan Lal Khurana: "Pakistan's Undeclared War"; quotation marks as published]

[Text] Today, we are again discussing Punjab's budget. Eight of the 12 months of this fiscal year have already passed, and Punjab's budget is still in the Parliament. I am saying this because our casual approach to the budget might suggest that this government is viewing the Punjab situation casually also. It is being very callous toward Punjab. The government has been very unfair to the people of Punjab by postponing the elections there. It has also lied to them. Because the Congress (I) party was not in the running, this whole drama was staged to bring it back.

At the time when Mr. Barnala was the chief minister there, the president praised him in his speeches, and the same government dismissed Barnala's government in the Parliament within three months. At that time, the people

of Punjab were outraged. Later, when there were only a few hours left before the elections, and while the governor was appealing to the people to vote peacefully, the elections were suddenly cancelled. We do not know how many people were killed in this process. The people of Punjab were burning in a fire of rage after the decision was made to postpone the elections. The whole responsibility falls on the Congress government, which should explain the priorities of the budget. Is there any special provision for improving the situation in Punjab? It had promised to provide employment to 100,000 people in Punjab within one year. Instead of increasing employment opportunities, it even froze employment. How many people received employment during the last year? How well did Punjab keep its promise to open new industries in border regions, and why were the industries for which the government lay the foundation stones closed? I want to know why the work on SYL was stopped. Millions of rupees were spent on it. The canal that was dug by the government is full of dirt because the work was stopped. Who is responsible for all of this? I want to know what happened to the Theen Dam Project also.

The economy in Punjab is in danger now. The work in rice, wool, and spinning mills has stopped there now. People are no longer working due to terrorism and kidnapping. A new trend has started, according to which trucks loaded with equipment go to other parts of the country and disappear. About 27 trucks have disappeared in the last five to six months. The CBI should investigate it.

If we do not win the trust of our own people, then there is the danger that the people will start to migrate to other states.

What has the new government done since its installation to resolve the Punjab issue? The way a fragmentary policy is made for Punjab does not help anyone. A solution should be reached by talking with the opposition. This is a national problem.

What is the situation in Punjab now? In Amritsar, Gurdaspur, Ferozepur, and other border districts, people do not even receive their electric bills. The question of payment does not arise. Nobody has the courage [to send the bills].

Last month, over 100 members of the police were targeted by the terrorists.

The government should stop making ambiguous statements about Pakistan. The root of the problems in Jammu, Kashmir, and Punjab is Pakistan, but the attitude of our government does not change. Our prime minister issued a statement in Harare that implies that Pakistan is leaning towards agreement with us. Meanwhile, our defense minister issued another statement that Pakistan is ready to attack us! Perhaps he is running for election; therefore, he is saying that, or he does not want to tell the truth to the people. Nations must be told who is correct.

It cannot be true that Pakistan is going to attack us, because Pakistan has already attacked us. Pakistan has sent trained terrorists into our border areas and is having people killed, kidnapped, and robbed. If it is not part of a war, then what else can it be?

What were the causes of the 1965 war? The war had started just because Pakistan had sent its people into India. Therefore, I am saying that Pakistan has already started an undeclared war. What does the government want to do? Repeating the word "peace" is simply inappropriate.

I would like to make three or four suggestions. If we want to defend Punjab, then we must establish a security belt around it. The proposals to this effect have been introduced in the Rajya Sabha, and the government has the power to get them passed. The different statements issued by various ministers about Punjab need to be avoided, and a "white paper" must be issued about the situation in Punjab. We have maps and proof about where training camps in Pakistan are located. I demand that Pakistan be given an ultimatum that if it does not close these training camps by a specific date, then the Indian Government will take steps to do so. Until independent elections are held in Punjab, the people of Punjab will not trust the government. The government will lose respect among the people of Punjab. Finally, just like Kashmir, the refugees coming from Punjab should also be settled on a semipermanent basis. They have been staying near the Boat Club for several months, in the rain and cold. They are living like refugees in their own country. What provision is there in the budget about this?

Pakistan Firing at Border Districts Unprovoked

92AS0434A Bombay THE TIMES OF INDIA
in English 2 Dec 91 p 7

[Text] Jammu, Dec. 1 (PTI)—Pakistani troops have been daily resorting to unprovoked firing at border security force (BSF) jawans deployed on the line of actual control (LAC) in border districts of Rajouri and Poonch in the Jammu region, the inspector-general of BSF, Mr R.K. Pandit, said today.

Mr Pandit told reporters 373 incidents of unprovoked firing by Pakistan troops occurred this year in Rajouri-Poonch districts during the last 11 months.

He said most of the firing incidents take place in the Qunderbani and Rajouri sectors of the region and these are mostly aimed at providing cover for infiltration of Pakistani-trained militants to India.

"The BSF jawans have also been replying to silence the Pakistani guns but incidents of firing exchanges were less than unprovoked firing by Pakistani troops," Mr Pandit said.

Mr Pandit said there were about 25 major training camps in Pakistan and Pakistan occupied Kashmir

(POK) where training to Kashmir and Punjab militants was imparted for subversion in India.

However, Pakistan authorities have closed some camps near Indian borders and shifted them to Allaqai Gair near Afghan borders, he said.

There were now only staging camps near the border across the LAC, he said.

These staging camps were the places where militants would initially be kept for some time before being shifted to other major camps, he said.

He said there was a close nexus developing between Kashmir militants and Punjab militants and they were now trying to explore new routes in the Jammu region.

Mr Pandit said there were some authentic reports of meetings of Kashmir militants and Punjab militants for launching some joint operations in both the states.

Kashmir militants were getting arms free of cost from the inter-services intelligence (ISI) of Pakistan, while Punjab militants were making some token payments for arms and ammunition, he said.

He said there were plans of border fencing in the Jammu region on the pattern of Punjab and Ganganagar in Rajasthan. About 400 km in Punjab had been fenced along with the provision of flood lighting out of 550-km border area in the state, he added.

The IG said during the current year, 20 Jammu and Kashmir militants, including a base commander of the Muslim Janbaz Force, Gulam Nabi Katju, of Rainwari in Srinagar, were apprehended.

Thirteen top Punjab militants, including the self-styled Lt General of the Babar Khalsa, Baldev Singh Aliasi Goddar, were killed and six others apprehended on the border with arms and ammunition while they were crossing over from Pakistan, Mr Pandit said.

He said 21 intruders and smugglers were killed and 231 others captured between January 1 to November 30 this year.

Meanwhile, security forces launched a major offensive against militants and their harbourers in Srinagar and Baramulla, while two persons were gunned down by militants in the Kashmir valley.

Rights To Be Retained Over Tin Bigha

92AS0446A Madras INDIAN EXPRESS in English
26 Nov 91 p 5

[Text] New Delhi, 25 Nov (PTI)—There is no handing over or secession of land involved in the leasing of Tin Bigha corridor to Bangladesh, the government declared in the Rajya Sabha on Monday.

As stipulated in the 1982 agreement, sovereignty over the leased area shall continue to vest in India, Minister

of State for External Affairs, Mr. Eduardo Feleiro, said in a written reply to Mr. Pramod Mahajan and Mr. J.S. Aurora during question hour.

The residents of Kuchilbari and others as also Indian officials and law enforcing agencies will continue to have the right of free and unfettered movement in the leased area in either direction, he said.

The 1974 agreement between India and Bangladesh provided for the leasing in perpetuity to Bangladesh of an area measuring 178 into 85 metres near Tin Bigha in Cooch Behar district of West Bengal.

This is for the purpose of connecting the Bangladesh enclave of Dahagram and Angarpota with the Bangladesh mainland so as to enable the Bangladesh Government to exercise their sovereignty over Dahagram and Angarpota, the House was told.

In a written reply to another question, Mr. Faleiro expressed the hope that Pakistan will abandon its negative approach and implement the Shimla agreement.

Officials Accused of Aiding LTTE Infiltration

92AS0433A Madras THE HINDU in English 1 Dec 91
p 6

[Statement by former Tamil Nadu Home Secretary, R. Nagarajan]

[Text] Tiruchi, Nov 30—The following are excerpts from the statement of the former Home Secretary of Tamil Nadu, Mr. R. Nagarajan, made before the judicial magistrate here today:

I was appointed as Secretary, Home, Prohibition and Excise Dept. with effect from 1-2-89 till 31-1-91. With effect from 17-2-90, I was holding the position of Ex-office Secretary, Public Dept. under the control of the Chief Secretary and the subject law and order was dealt by the Public Dept. and the files were put up to me through Addl. Sec. Public Dept. and I had to submit files to the Chief Sec. and the then Chief Minister, Mr. M. Karunanidhi.

At the outset, I submit that the law enforcing authority, including crime detection, is the Dir. Gen. of Police [DGP] assisted by the Ins. Gen. of Police [IGP], Law and Order [L&O] IGP, Crimes—City Police Commissioner—Dy. Ins. Gen. of Police, CID [Criminal Investigation Department] with two Superintendents of Police [SP]—one for Special branch and another for Q Branch. They control the entire Police Dept.

All sensitive matters related to law and order and crime were used [as published] to be discussed by the DIG [Deputy Inspector General] CID, Mr. Jaffar Ali, personally with the then CM Chief Minister]Mr. MK, on every morning and the details of such discussions were not disclosed to us unless they chose to tell anything for action. Most of the oral instructions of the CM to the Police for action used to be conveyed only by the DIG

CID. In day-to-day police administration, the then CM, Mr. MK, used to give directions to the Police officials personally such as to deal with the agitations of political parties, remand, release, arrest relating to the communal clashes, including preventive arrests and more particularly all matters related to Sri Lankan militants, including LTTE [Liberation Tigers of Tamil Eelam] affairs. No details of such instructions were available to the officers at the Secretariat unless DIG CID informed us anything specifically for action or for information through the daily reports.

The problem of law and order assumed greater importance after the deinduction of IPKF [Indian Peace-keeping Force] from Sri Lanka. Along with the refugees, LTTE militants got mixed up and landed more in number from June 1990. The police direction given by the CM was not to disturb anyone coming for treatment from Sri Lanka. The police could not screen them and the result being that LTTE cadres penetrated into our territory freely during this time. The real trouble started only because of this policy. It was submitted orally by the law enforcing authority during the meetings to the then CM, Thiru MK, that allowing of LTTE militants into Tamil Nadu territory in disguise of refugees without check would pose a serious threat in the maintenance of law and order and ultimately would affect the security of the state. The CM had shown no response.

Once the Chief Sec. requested the then CM to attend a function to receive the IPKF on their return but he flatly refused and stated on the floor of the Assembly that the IPKF was largely responsible for killing LTTE cadres in Sri Lanka.

The visit of the LTTE headed by one Anton Balasingam, his wife and one Yogi to Madras for a preliminary discussion with the then CM under the direction from the then Prime Minister, Mr. V.P. Singh, for the purpose of preparing a final political settlement had further encouraged LTTE's enthusiasm on our soil. Two such meetings were held at the Port Trust Guest House and the participants were only LTTE team with Mr. M. Karunanidhi, Thiru Murasoli Maran and occasionally Thiru K. Anbazhagan, then Education Minister. On our side, the CM was assisted by Thiru S. Gudan, Advisor to the CM. None of the other officials, including me, were the participants—myself, Public Secy, Thiru S. Sankara Subbiahayan and DIG CID were seated at the first floor of the lobby outside the discussion room. The contents of the discussion were not known to us but certain correspondence was available....

During their two days' stay, on each occasion under the oral permission of the then CM, a few LTTE cadres residing locally were allowed to meet the LTTE deputation team on deputation from Sri Lanka through the assistance of Q Branch. It was a secret affair between the Q Branch officials and the CM directly.

Similarly, when Varadharaja Perumal visited Madras for discussion with the then CM, he was accommodated at

the State Guest House, Chepauk and the meeting took place at the CM's residence in the first floor. During this discussion also none of the officers either from our State or from Sri Lanka were allowed. We were told by the Q Branch officials that the LTTE militants or other Sri Lankan groups used to meet the then CM only at the Oliver Road residence and the names of such visitors are known to his Personal Asst. (Deputy Secretary).

Thiru Shanmuganathan used to be always with the then CM. Their addresses, phone numbers were noted by him in a special diary which used to be in his custody.

On 18-2-90, LTTE militants travelling in cars returned from Rameswaram seashore after offloading certain goods said to be ammunition and medicines. Their cars were checked at the Pattinamkathan checkpost by the TSP [Tamil Special Police] men on duty. The LTTE militants opened fire indiscriminately killing the TSP man on duty and another civilian at another point. In the third place more than ten persons sustained injuries due to indiscriminate fire by the LTTE militants. We asked the DGP to trace out the vehicle and arrest the culprits. Sometime after, when this was questioned during the weekly law and order meeting, the Q branch SP, Thiru Subramanian, reported one of the persons inside the Maruti van was an employee of Pandian Hotel who was also missing. Later, the Q branch SP told me in my room that action could not be taken effectively because local police are reluctant to cooperate with the Q branch since the missing Pandian Hotel employee who was sighted in the Maruti van at the shootout spot was a close friend of M. Azhagiri, son of the then CM, and that was the reason for no improvement in the investigation. Once this fact was conveyed to the then CM by the then DGP during my presence and the CM did not show any reaction but after a few minutes, started denying the DGP's version. The contention of the Q branch was that there was no progress on Pattinamkathan shoot out investigation because of the interference by Azhagiri.

Once Thiru G.S. Ramanan, DIG, Ramnad, was named by then DGP to apprehend a few LTTE men who were suspected to be involved in the Pattinamkathan shoot-out, residing at Trichy and Thiru Ramanan also came to Trichy for the operation with the police party. He could not carry out the operation since the DGP informed him over phone that the scheduled date was changed under the oral orders of the CM. When I checked up with Ramanan as well as with the DGP, both confirmed it. The DIG ID also had confirmed it. When I asked the CM also, he too confirmed the postponement of the operation. After a few days, the operation was done but nothing was available except a motorcycle and few clothes. This was reported in the weekly law and order meeting.

Regarding the shootout incident at Kodambakkam on 19-6-90, the EPRLF [Eelam People's Revolutionary Liberation Front] leader and 14 others were killed. This was reported to me at about 8:45 p.m. when I reached home from the Secretariat by Thiru K. Ramanujam, the then

SSB [expansion not given]. Immediately, I tried to contact the City Police Commissioner, Thiru Rajasekaran Nair, but I was told that he reached the spot with the City Dy. Commissioners to attend to the necessary arrangements. Meanwhile, I informed the then CM, Thiru MK, who was at New Delhi in Tamil Nadu House over telephone. When he asked for more details, I was not in a position to give more because by the time I could not contact any of the police officials as they were all at the spot. At 9:30 p.m. City Police Commissioner contacted me and informed me in greater detail how the incident happened and how the assailants operated and escaped in a white Ambassador car. Few minutes after the DGP came on the line and informed me that Police alert was given and the IG of Police, Crimes, Thiru Durairaj, was put in charge of tracing out the assailants. At about 10:45 p.m. the DGP contacted me once again and explained the arrangements and I asked him what steps were taken to apprehend the culprits. He informed me the CM had asked him that the police need not evince keen interest to trace the killers till his arrival for further instructions from him. When the Dy. Commissioner of Police, L and O, Central Range Madras city, and other police officers contacted me over phone I instructed them to keep in touch with the DGP who had a frequent contact with the CM at New Delhi. On the same night, it was stated there was a report stating that the DGP had denied the LTTE hand in the shootout. When this was brought to my notice, I questioned the DGP who denied it. When I asked about the CM's instructions to the DGP in tracing out the assailants as reported by him orally over phone, the DIG CID, Thiru Jaffar Ali, also confirmed it. At about 11:15 p.m. DIG Chengalpattu range Thiru Ranjit Singh, came to my residence with a bandage at his leg and informed me that he could not go out since he could not walk. But, I shouted at him to go and sit in the office and put an alert in his jurisdiction. He left at once and I conveyed this fact to the Dir. Gen. of Police and the DIG CID immediately. Next day, IG Crime informed me in the meeting that the assailants were reported to have stopped at Villupuram near Railway gate and snatched another Maruti van belonging to some passersby.

The person to whom the Maruti van belonged had met him in the office and he had ordered a detailed enquiry. On 20-6-90, the then CM returned from New Delhi and took up a special law and order meeting and discussed the matter. He informed the IG Crimes and DIG CID to meet him every day and inform him of the progress of investigation. Thereafter, these officers reported to the then CM directly and only weekly reports were received by us in the Secretariat which reflected no progress. Myself and the Chief Sec. could see that there was a slackness on the part of the police to investigate the case and ultimately they reported that the assailants escaped. During this period, I was told by the Q branch that some local LTTE men used to meet the then CM at his Oliver road house and the details of such meetings and the names of these persons were known to K. Shanmuganathan who was his Deputy Sec. all the time and

who had the contact addresses of these people and his Security Officers also knew about it.

Similarly, when an unofficial report was received about the LTTE activities in a particular residence at Thiruvani-koil, the then DIG, Trichy, Mr. Saravanaperumal, was asked to raid them and arrest and seize the weapons. When a police party went there to raid the residence, there was heavy local political pressure and an MLA [member of Legislative Assembly] from the ruling party, Malarmannan, along with a few partymen, prevented the police party from entering into the premises and then he was contacting the then CM directly to get instructions issued to the local police. The LTTE men residing in the house refused to come out for 8 hours. There was no confirmed report about this incident. But the result was that no weapon was available, and only a bundle of clothes was available. It was orally informed by the Q branch that things were moved out with the assistance of the local persons, including Malarmannan.

On one occasion, Thiru Shanmughanathan, Dy. Secretary to CM, brought one Kasiananthan, LTTE man, and introduced him to me in the office and asked me to listen to him since he made some representation to the CM. I asked him what is the detail, he requested me that one of the LTTE men detained under the National Security Act should be released since he had come to Madras recently. When I checked up the matter with the then CM, he asked me to make arrangements for his release at the request of Thiru Kasiananthan. I had told him once the detention order was passed it is the advisory board which should take a decision and they may represent to the advisory board and the Government could not do anything. I informed Kasiananthan accordingly.

Unofficial reports and news items were appearing that large quantities of diesel, kerosene, clothes, medicines mixed with some explosives were transported by LTTE men during night hours in the Maruti van through the coastal areas, having landed at Trichy. Though there were checkpoints with the police party, LTTE men used to take different routes and reach the destination without the knowledge of the police. Once, I asked Thiru Saravanaperumal, DIG Trichy, about the news items appearing in the press. He informed me that the CM had informed him during his camp at Trichy that the transport of essential goods by LTTE men need not be obstructed. This was confirmed by the DIG CID also. At one point of time police raided a house at Thillainagar, Trichy and seized 2,000 litres of petrol. After the seizure and arrest, it was reported orally that 11 persons were arrested, but the daily situation report of the Q branch carried only 10 names.

When 5 LTTE men suspected to be involved in the Padmanabha murder case were apprehended by the State police near Pattukottai and were brought in a van to the Pattukottai Police station, they refused to come down, threatening to swallow cyanide capsules.

When this was brought to my notice by the then DGP, I contacted the DIG, Trichy, Mr. Saravanaperumal, at Pattukottai and shouted at him even at the risk of being killed, you arrest them and apprehend them. In the same Padmanabha murder case, some of the personal assistants to ministers, Sundaram and Thangavelu, stood sureties for the accused and when this was brought to my notice by the City Police Commissioner I ordered on the file that they should be terminated from service immediately. But a few of them were relieved belatedly by the ministers concerned for reasons best known to them.

In an incident at Madras city a motorcycle driven by an LTTE man got into an accident at Egmore and Rs.[rupees]20,000 was recovered and the arrest was made by the City Police Commissioner. Late P. Durai, informed me that a request came from the Minister Tmt. Subbulakshmi, to release him without a case. But I informed the Commissioner not to concede this request and proceed with the arrest. I also contacted the Minister immediately to find out what was her interest in releasing the person. She replied [to] me that she did not ask the release of the person but only the return of money. I once again asked her as to whom the money belonged and she replied that it was given to him by one of her PA's [personal assistants] and she refused to disclose the name and the money was not returned.

The Q Branch SP, Thiru Subramaniam told me that manufacturing LTTE uniform clothes for transportation to Sri Lanka for the use of LTTE was going on at Erode and he also told me this was done at the instance of Tmt. Subbulakshmi Jagadeesan. Somewhere in the North Arcot district, the clothes were seized and later at the request of the Minister the clothes were returned to them without registering any case.

At the instance of the IB [Intelligence Bureau], I asked the DIG, CID, Thiru Jaffar Ali, to prepare a list of persons who were aiding and abetting smuggling of goods, explosives and other essential items in the coastal area. The list contained 26 names with addresses and Mr. Jaffar Ali told me that prior clearance of the CM was required because any action against them may have political repercussions. When this was discussed in the weekly law and order meeting, the Chief Secretary himself suggested to the DIG CID to get clearance and we were informed that the CM had given clearance for apprehending only 6 persons in the list leaving the others free.

When there was an unofficial report about the increased activities of the LTTE in Ramnad, Thanjavur, and Pudukottai shore areas, particularly at Pillaiar Thottam, we suggested a senior officer from the police dept. to go and report the real situation. A few names were suggested. But on CM's instruction, Thiru Jaffar Ali was deputed. He gave a report to the Govt. denying LTTE activities in the coastal areas. Similarly, during November 1990, Thiru Rajmohan, IG L&O, was asked by the then CM to inspect the coastal area in Ramanathapuram, Thanjavur and Pudukottai districts

and accordingly he made the visits and denied the existence of the LTTE. When I questioned him at Madurai Airport, where I had been on private work, he told me that he carried out the orders of the CM to inspect and deny the existence of the LTTE.

The above instances from my recollections would show that most of the oral instructions in dealing with the matters related to Sri Lankan Tamils and more particularly LTTE were given by then CM only and his oral orders were conveyed to the various officers depending upon the situation and such conveyance mostly through DIG CID who had direct contact with him everyday about the situation.

Chief Sec. Thiru M.M. Rajendran, was the head of the law and order dept. having the subject law and order in the public dept. As Home Sec. I was assisting him only and no final decision could be taken by me without the knowledge of the Chief Sec. or the CM. All correspondence relating to LTTE matters at the ministerial level to the Central Govt. were drafted by him only. And the policy matter regarding the LTTE and other Sri Lankan affairs or the matter to be discussed by the Chief Sec. with the CM only. As Chief Sec. he had a number of meetings with Union Govt. officials and on occasions with ministers.

To the best of my knowledge neither myself nor the officers who had assisted me at the Secretariat had failed at any point of time to place before the Chief Sec. and the CM information available through records and reports. No point of time any information was suppressed with an ulterior motive or on intention to aid anyone or to abet an offence through the State machinery. In spite of the best efforts of officers to control the situation always there was political direction to the field officers directly and such directions were not reported for discussions.

The decision not to attend the function of the IPKF deinduction prevailing upon the then Union Home Minister, Mufti Mohammed, not to visit coastal areas of Tamil Nadu were the decisions beyond my jurisdiction. I swear that I carried out my responsibility with utmost devotion to duty and keeping the national interest above all as a member of the All India Service and my views on the LTTE would be very evidently available in certain files which I have dealt with and the details I had submitted to the Govt. on 15-11-91. I had not shown any mercy or sympathy knowingly or unknowingly to the LTTE or to any other Sri Lankan cadre nor aided them in any manner. I was the first officer who initiated the detention of LTTE men under the National Security Act. More than 80 LTTE hardcore militants were detained under my signature. When a special camp was formed at Vellore and more than 100 persons were kept inside, requests started coming for release of a few of them on the plea that they were students. I had a very cautious approach and at one incident for the release of alleged student I refused to obey the orders of the CM and recirculated the file with facts that the student was not a bonafide student and should not be released.

Right from the Pattinamkathan incident, the Padmanabha case arrest and seizure at Thillainagar, Thiruvanaikoil, Samayapuram and LTTE's illegal activities in coastal areas. I did not aid, abet and harbour any of their activities. As vested with power by statute and rule, the then Chief Sec. M.M. Rajendran, and the then CM, Thiru M. Karunanidhi were alone responsible and accountable for any omissions and commissions.

I am giving this statement as my sworn statement under Sec. 164(5) of the Criminal Procedure Code to be used as a statement of witness and not under any circumstances as a statement of confession because I was not a party for any activities of aiding, abetting, and harbouring the LTTE.

Relationship Seen Between Nepali Movement in India, Bhutan

92AS0411A Varnasi AJ in Hindi 9 Dec 91 p 9

[Editorial: "The Clouds of Gorkhaland Hang Over Bhutan"; quotation marks as published]

[Excerpt] Perhaps it is for the first time that indications of some internal problems are coming from Bhutan, the small nation situated in a Himalayan valley between India and China. The struggle involves the original people of Bhutan and the Nepali Ghorkhas, and it is shaking up Maharajah Jigmay Singhye's throne. The original Bhutanis fear that they will lose their identity, because the Nepali Ghorkhas are trying to establish their supremacy in every area of the nation, based on their large numbers. Bhutan is not the original country of the Nepali Ghorkas; their claim is based solely on their number. The Nepali Ghorkas who had been continually moving into Bhutan are starting a campaign which, in the end, could make the king here as unnecessary as the king in Nepal. If this campaign was carried out under the leadership of Bhutanese citizens, then one could understand the national character of this campaign. The Nepali Ghorkas might diminish the identity of the Bhutanese people using the strength of their numbers. We should remember that the maharajah of Bhutan could not participate in the SAARC [South Asian Association for Regional Cooperation] conference in Colombo because of this disturbance.

Ghorkas from Nepal have been settling in Bhutan for the last several years. Their number continues to increase every year. All of them are illegal immigrants, which naturally worried the Bhutan Government. The maharajah started a census program to put an end to this illegal immigration. At the same time, strict monitoring of caravans arriving from Nepal was started. That is when the Ghorkas started their "democratic movement." Meanwhile, the government calls them "antinationals." Even though this campaign has not yet been successful in Bhutan, it has gathered enough strength to spread unrest in the country. The Ghorkha population wants to establish control here by removing the Bhutani royal rule, just as they did in Nepal.

The Ghorkha campaign is not limited to slogans about a democratic government. They have also started terrorist activities. They collect money and force the southern Bhutanese to join them. The immigration of Nepalese into Bhutan has been so widespread and has lasted for so long that their number is now greater than that of the original Bhutanese citizens. In the southern part, the number of Bhutanis is almost negligible compared to the number of Nepalese.

This is an important aspect of present-day Bhutan. Maharajah Jigmay Singhye even offered to relinquish his throne out of frustration; however, the National Assembly did not accept his offer. The maharajah's supporters did not agree with his plan. The National Assembly members clearly stated that other and easier methods could be found to resolve this issue. They said that an extreme step like relinquishing the throne was inappropriate. His supporters also believe that if the maharajah announced publicly his decision to renounce the throne, then the situation in the nation could get much worse.

The strongest supporters of royal rule, including Home Minister Liyonayo Dago Tshering, are not very happy with the maharajah's policy of giving unlimited clemency to people. Only recently, Jigmay Singhye gave a blanket pardon to 74 revolutionaries in southern Bhutan during the Dussehra festival. These pardoned people want to end the decisionmaking role of royal rule and establish a democratic form of government. According to their campaign, the maharajah would only be a constitutional head of the country.

The group within the royal rule is very happy [sic] with the maharajah's offer to relinquish his throne and his policy of pardoning people. This group considers the purpose of these policies to satisfy people. This group, composed of authentic Bhutanese people, believes that the situation will aggravate, rather than improve, because of these policies. Various factions within the country will be effected differently by these policies. Meanwhile, the boldness of the Nepali Ghorkas and antimaharajah revolutionaries will increase. The terrorists will consider this policy their victory, and will accelerate their activities for additional success. This way, the 37-year-old maharajah would be ridiculed. All in all, Jigmay Singhye's liberal policy has endangered the original identity of Bhutan. This is what his supporters believe. As mentioned earlier, the biggest weakness of this campaign is that it has not taken roots in Bhutan. It is being controlled from outside, not from within. Many terrorists and revolutionaries have left Bhutan and settled in Nepal. They have made accusations that security forces have committed atrocities against them and destroyed their homes. They have even made accusations that their women have been raped by those soldiers. The terrorists are also spreading rumors that these demons were sent by the maharajah himself, in order to destroy the powers that want to start a democratic movement.

Regardless of whatever accusations the terrorist-revolutionaries make, any steps taken by the government will be justified. In addition, steps to crush this movement should be timely. The Ghorkas, who have fled from Bhutan, are living in tents in Nepal as refugees. They are totally dependent on the mercy of the Nepalese Government there. Their movement is losing momentum due to a lack of economic support.

About 5,000 Ghorkha refugees have fled from Bhutan to Nepal at this time. The number of refugees increases daily. The situation is so bad that only 400 refugees are being provided with about 200 grams of rice per person by the Red Cross. Such a small amount is not enough to satisfy a person's hunger. One revolutionary refugee said in Nepal, "At this time we have nothing to eat and no place to live. Our clothes are torn. We are very worried. The movements for democracy and independence have been pushed back." Meanwhile, the campaign leaders are taking vows to "keep fighting until the last drop of blood is left in their bodies." The Nepalese Government is giving full moral support to this campaign. Prime Minister Girija Prasad Koirala has announced publicly, "We are willing to provide any kind of assistance to the Bhutan democracy movement." Koirala visited refugee camps in the Virat Nagar district and assured them that their problems would be solved, and that they would receive support for their campaign.

In addition to promising assistance, he also publicly said that his government was giving open permission to the Bhutan refugees to stay on its land and continue political activities. The royal government of Bhutan considers this activity by the Nepalese Government unfriendly. Prime Minister Girija Prasad Koirala has also openly announced that his government, in addition to supporting the campaign, will give permission to the refugees from Bhutan to become involved in political activities. Bhutan's royal ruler considers the Nepali government's activities as unfriendly. According to the Bhutanese Government, Nepal is encouraging these Ghorkas to expand its political borders. The royal rulers have accused Nepal of imperialistic conspiracy. [paragraph as published]

The royal government of Bhutan has become very worried after reading the news about the Nepalese Government's intention of propagating the problems in Bhutan at an international level through various media. The royal administration claims that it is fighting to protect Bhutan's culture and identity. The truth is that the Nepali Ghorkas have settled in such large numbers in Bhutan that its indigenous cultural identity has been endangered due to the overpowering Nepali Ghorkha culture. The Nepali immigrants can use the strength of their numbers to eliminate the royal rule. At this time, the Nepali Ghorkas make up 45 percent of Bhutan's total population. It is also possible that Nepali Ghorkas can take over the Bhutanese Parliament, hiding behind the slogan of a democratic government. Bhutan, which was just a new country to the Ghorkas until now, could be ruled by them later.

Against this background, Maharajah Jigmay Singhye Vangchuk's offer to relinquish his throne and the appropriateness of pardoning terrorists and revolutionaries are being questioned. Some people might consider it Maharajah Vangchuk's generosity, as reflected occasionally by his behavior. He and the natives of Bhutan have the full moral and democratic right to pay any price to protect their cultural identity and historical heritage.

Maharajah Jigmay Singhye Vangchuk is also entertaining ideas of peace negotiations with the Nepali Ghorkha revolutionaries. At times his counsel is to call back those Ghorkas that left Bhutan for Nepal. [passage omitted]

Many regional, racial, and caste conflicts are arising. These clashes have endangered unity in India. Bhutan is also afraid of such a danger. Therefore, the royal administration and the natives of Bhutan have declared that if one wants to live in Bhutan, he must live like the Bhutanese.

In such a difficult situation, keeping a lenient attitude toward Ghorkha terrorists and revolutionaries, being softhearted, and showing the kind of generosity that Maharajah Jigmay Singhye Vangchuk has demonstrated could lead to the removal of Bhutan's identity. Maharajah Jigmay Singhye Vangchuk is also thinking about compromising with the Nepalese Ghorkha revolutionaries. He has advised those Ghorkas, who have fled Bhutan for Nepal, to return. According to some observers, all of the proposals and suggestions made by the maharajah are out of context. Bhutan's home ministry has also made it clear in its long report that these benevolent activities will encourage the rebel elements in the country. This will help strengthen those elements that want to destroy Bhutan's unity. The home minister also believes strongly that a situation must be created to force the rebel Nepali Ghorkas to leave Bhutan on their own. In the opinion of the ministry, the country should not be left in such danger for long. The home ministry's action can help in controlling the activities of the Nepali Ghorkas.

Bhutan's Government issued a directive to help maintain the country's cultural identity. According to it, all citizens will wear national dress when going out. Persons who disobey this directive will fined 100 Nu [Bhutanese currency]. All persons from Bhimtar have been ordered to move. If they do not do so within the next 15 days, their homes will be destroyed by the government.

According to a Bhutanese home ministry decision, any Bhutanese citizen who leaves the country to help the rebel (Nepalese Ghorkas) will be stripped of Bhutanese citizenship. The members of the families of such persons will also be considered traitors, and they will also lose their citizenship rights.

The Nepalese Ghorkas tried to unite their group against this directive, and announced that Ghorkas living in Bhutan should remain firm as a rock. "We the minority Nepalese suffered the dictatorship of the demented king

(Maharajah Jigmay Singhye Vangchuk)." According to them, "the Nepalese have suffered under the minority for a long time. It is time to throw away the rope of slavery. Now this group is using racist policies against us in the name of Bhutanization. [passage omitted] The Nepali Ghorkas will never accept Bhutanese customs."

This is the voice that has started to destroy the historical structure of Bhutan, whose traditional name is "Daruk-pul."

Punjab Says Mid-February Polls 'Possible'

92AS0424A Madras THE HINDU in English 1 Dec 91
p 1

[Text] Chandigarh, Nov. 30—The Punjab Government has told the Centre that it has now become possible for it to conduct elections in the State by February 15.

This was conveyed to Mr. M.M. Jacob, Minister of State for Home Affairs, by senior Punjab functionaries at a meeting with him here on Friday night. Those present at the meeting included Mr. Surendra Nath, Punjab Governor, his three Advisers, Mr. T.S. Broca, Lt. Gen. J.K. Puri, and Mr. Sadanand, Mr. Tejendra Khana, Chief Secretary, Mr. A.S. Chatha, Home Secretary, Mr. K.P.S. Gill, Director-General of Police, and Mr. C.D. Arha, Joint Secretary, Union Ministry of Home.

The Minister was told that the law and order in the State had improved considerably with the deployment of the Army and it was now possible to hold the elections.

However, they also informed Mr. Jacob that the Central Government would have to take some more steps other than the deployment of the Army to assuage the feelings of the people of Punjab, particularly the Sikhs. The steps suggested by them were the announcement of an economic package for Punjab along with the settlement of the outstanding territorial and other demands of Punjab.

Track Blown Up

A hardcore militant, Sewa Singh, an Area Commander of "Khalistan Liberation Force" and five other militants were among 12 people killed and a railway track was blown off in Punjab during the past 24 hours.

An alert rail engine driver averted a tragedy when he stopped the Delhi-bound Kashmir Mail just short of a blown off railway track near Chawa railway station last night. A two feet long portion of the track was blown off.

In a two-hour long encounter, security forces shot dead Sewa Singh, responsible for 50 killings near Mimre villages in Ferozepur district today. An AK-47 rifle and two kg of explosive material were recovered from him. He was responsible for burning alive nine bus passengers and 14 labourers in Amritsar district. Security forces also shot dead hardcore militant, Ranjit Singh, a former police constable, and an unidentified accomplice near Jaura village in Tarn Taran police district early this morning.

Militants rammed a truck into a security force jeep near the Fathegar Churian railway crossing in Batala Police district, and opened fire, killing two police constables and injured one.

INTERNAL AFFAIRS

Rao: Top Priority to Rural Development

92AS0447A Calcutta THE SUNDAY STATESMAN
in English 24 Nov 91 p 7

[Text] Allagadda (A.P.), 23 Nov—The Prime Minister said here today that rural development would be given top priority by his Government and urged all political parties to view this in proper perspective rising above petty party considerations for the benefit of the rural poor, reports PTI.

Allagadda is part of the Nandayal Lok Sabha constituency, from where Mr. P.V. Narasimha Rao won the recent by-elections with a record number of votes. The Assembly by-poll to Allagadda was countermanded following the death of an Independent candidate in a bomb blast on 15 November.

Addressing a public meeting here, Mr. Rao said rural India offered an exciting scope for development of agro-based and food processing industries. The Government has decided to import technology to modernize sick mills and make them productive. "We will import relevant machinery to set up such units in specific locations in the country," he said.

The Prime Minister said several obstacles to the country's development like communal trouble and law and order disturbances were being effectively tackled by his Government.

Stating that the country had failed to provide essential requirements like safe drinking water and electricity to some of our villages, Mr. Rao said, all parties should strive together to ensure that people get this facility quickly.

He urged the people, especially the headmen in villages, to sit together and think of appropriate industries that could ensure development using local resources.

Referring to the demand for development of the backward Rayalaseema region, the Prime Minister assured that he would hasten the implementation of several pending projects in the region.

The work on the Telugu-Ganga project to supply drinking water to Madras and developing irrigation facilities in Rayalaseema, had been going on at a relaxed pace for a long time. "I do not know the reason for it. But I will soon find out," he said.

Delay in implementing such projects led to economic loss and also retarded development of the region, Mr. Rao said. Rajiv Gandhi had worked out the strategy for

development of rural areas and uplift of the down-trodden, he said and assured the people that programmes envisaged by him would be implemented by his Government. Earlier, the Prime Minister visited Ahobilam and offered prayers at the Sri Narasimhaswamy Temple.

Nostalgia prompted Mr. Rao to opt for Nandyal constituency from contesting the Lok Sabha by-election. Revealing this at the meeting he said Mr. G. Pratap Reddy, who vacated the Nandyal seat for him, happened to be the son of an old friend, Mr. G. Timma Reddy. "But I never knew he was my friend's son till he met me and offered to quit the seat in my favour," Mr. Rao said, adding that that was when he made up his mind though he was considering other places.

"Nandyal being a backward area was also another factor that prompted me to contest from there as I have always been drawn to backward regions," he added. Expressing sorrow that the election to Allagadda could not be held following the death of an Independent candidate, he said elections would be held soon. He urged people to elect Mr. Pratap Reddy who is the Congress(I) candidate for this seat.

Mr. Reddy suggested that some 50 small canals in the region should be linked to solve irrigation and drinking water problems. He urged the Prime Minister to initiate steps to solve long-pending problems including sanctioning of the Velugodu balancing reservoir and creating a separate Nandyal district.

President's Rule for Meghalaya Approved

92AS0439A Bombay THE TIMES OF INDIA
in English 11 Dec 91 p 1

[Text] New Delhi, 10 Dec (The Times of India News Service)—The government today managed to avoid a constitutional impasse in Meghalaya by persuading the opposition in the Lok Sabha to approve the presidential proclamation of 11 October, by which the state was brought under President's rule.

The opposition which had come together yesterday, cutting across ideological barriers, had appeared to be in no mood to oblige the government. They had all demanded the revocation of President's rule and induction of a popular government, refusing to support the government's move for ratification of Central rule.

Analyst on Rao's Visit to Paris

Talks With Mitterrand, Cresson, Others

92AS0444A Madras THE HINDU in English 27 Nov 91
p 1

[Article by K.K. Katyal: "Sunny Days Ahead in Indo-French Ties"]

[Text] Paris, 26 Nov—The Prime Minister, Mr. P.V. Narasimha Rao's meeting today with the French President, Mr. Francois Mitterrand—another high point of

the former's transit stay here—hopefully heralds a phase of renewed cooperation, putting an end to the chill of the recent past. This first high-level interaction between the two countries, after nearly three years, could trigger French interest in promoting trade with and investment in India. It could, going by the trends of their discussions and the wide range of subjects taken up by them, strengthen understanding at the political level.

Mr. Rao heard another detailed account of the current moves for the integration of Europe, the first being the briefing by the German leaders during his visit to Bonn seven weeks ago. France is an ardent advocate, like Germany, of closer ties, and is keen on giving new substance to the integrative process through a monetary union and common currency, in the economic field, and steps for common security and foreign policies at the political level. With the UK, especially the Conservative Government, unwilling to go that far, the next month's summit of the European Community would be crucial—Mr. Rao was told.

Facing acute internal problems and tough foreign policy challenges, France, it was clear, was interested in widening its options. The same was the case with India, following the collapse of the Soviet Union (it has to look for new partners for trade, the supply of military hardware and technology).

Unpopularity of French PM [prime minister]

In the domestic context, France is undergoing a queer trauma, with the unpopularity of the Prime Minister, Madame Edith Cresson, an unhappy part of today's political reality. She had annoyed vast sections in the country and abroad by her brashness—reflected by her branding of the British as homosexuals and the Japanese as rats. Then there is a hectic debate on the form of the constitutional set-up—on whether the presidential seven-year term needs to be reduced, with questions raised even about the wisdom of their scrapping the parliamentary system. In a period like this France would like to be comfortably placed, in the conduct of its external relations.

A Logical Evolution

Mr. Rao's session with the French industrialists, the representatives of the National Council of French Industries, the counterpart of the FICCI [Federation of Indian Chambers of Commerce and Industry], was on predictable lines. The Prime Minister was keen to drive home the point that the new economic package was no flash-in-the-pan affair but a logical evolution of the process that had been started by Indira Gandhi and followed up by Rajiv Gandhi, and that it was backed by the political consensus. What his Government had done, he said, was contained in the Congress(I)'s election manifesto. And he cited the by-election results as a proof of popular support to his policies. The Prime Minister developed

this theme with a view to dispelling the impression that the new policies were reversible—and to projecting an image of stability.

France, he said, had been an important partner in India's development and there was great appreciation for the French technologies. He mentioned two new areas for investment by them—solar energy and items connected with agriculture, such as agro-industries and food processing, apart from the existing fields like telecommunications, space, aeronautics and power. The private sector had been allowed to participate in the power generation as the public sector was unable to meet the country's requirements. He promised, in response to queries, to find out from the Health Ministry the reasons for the delay in the clearance of the French-aided vaccine project.

Procedural Matters

The industrialists wanted to be clear both about procedural and substantive matters. "You are a sub-continent? Who do we approach?" The Foreign Investment Board, headed by his Principal Secretary—and of course, the Ambassador. "What about changes in laws?" Whenever the law had to be changed, the Government did not want for the Parliament session and issued ordinance. Besides, new Bills are being introduced in the current session.

PTI reports: India and France agreed to upgrade the economic ties and to diversify the on-going collaboration and joint ventures through transfer of technology in areas like solar energy.

More on Talks With Mitterrand

92AS0444B Madras THE HINDU in English 28 Nov 91
p 9

[Article by K.K. Katyal: "India, France Keen on Cooperation"]

[Text] Paris, 27 Nov—The Prime Minister, Mr. P.V. Narasimha Rao, and the French President, Mr. Francois Mitterrand, agree that the new world order, unipolar or otherwise, should not be based on power equations but should have its mooring in international institutions. Their one-hour meeting yesterday was marked by convergence of views on the present global situation. They decided to keep up the interaction between the two countries, suggesting a meeting of the Foreign Ministers in the near-future. "Indo-French cooperation must grow," said Mr. Mitterrand.

The solutions to the problems thrown up by the end of the cold war, in the opinion of the two leaders, should be found through the UN and not structured by one or two nations. They, it was clear, had in mind Yugoslavia, where they would like a peace-keeping force stationed under the auspices of the UN to put an end to the fighting.

The developments in the Soviet Union—the collapse of the central authority, emergence of the republics as new entities—engaged their attention, specially in the light of the latest reports that the Soviet President, Mr. Mikhail Gorbachev, had failed in his attempt to put together a union treaty. Important countries having relations with the Soviet Union, they felt, would have to adjust to the new dispensation while taking care not to accentuate the situation there or giving a fillip to critical or negative aspects.

They agreed on the approach to the other problems as well—that the international situation be stabilised or restructured wherever necessary through the UN. What stood out was their shared response to the situation in the wake of the cold war. Apart from Europe—Yugoslavia and the Soviet Union in particular—Palestine figured in their discussions. Mr. Rao stressed that the societies caught up in turmoil needed to be stabilised.

The bilateral relations were equally close—with the two leaders recognising the urgency of reestablishing contact in the good old traditions and cooperating in the economic field. Instead of confining their dealings to trade and turn-key projects, India and France, Mr. Rao felt should proceed on the basis of technological complementarity. India, as he put it, had developed capability in certain areas which could be blended with the French knowhow. Mr. Mitterrand spoke appreciatively of the strides made by India in technology. Mr. Rao explained the salient features of the new economic policy which was intended to put India in step with the French industrialists—to which he referred in his talks with Mr. Mitterrand.

The President's reference to the kidnapping of a French engineer in Jammu and Kashmir turned the discussion briefly to the goings-on in the State. This provided an opportunity for Mr. Rao to draw Mr. Mitterrand's attention to the attempts being made to secure his release and to the designs of the terrorists to focus attention on their case.

The problem in Kashmir, Mr. Rao said, was not religious but a fundamental one on which rested the foundations of the Indian polity. The fact of external help to terrorists in Jammu and Kashmir—and other parts of India—was now internationally recognised, he said.

Mr. Mitterrand was concerned that the Kashmir problem could become a flash point and wanted it settled—bilaterally and if necessary, through the UN. Mr. Rao stressed that it had to be settled within the framework of the Shimla agreement. He thus reiterated the known Indian position that the UN resolutions had been superseded by the Shimla agreement and the background in which it was signed.

An official spokesman, who briefed the correspondents, accompanying the Prime Minister in the tour, was asked whether defence matters figured in his talks with Mr. Mitterrand or French industrialists.

The industrialists of advanced countries, he replied, were aware of India's desire for diversifying the sources of defence supplies.

PTI reports:

The French President, Mr. Francois Mitterrand, and the Prime Minister, Mr. P.V. Narasimha Rao, during their talks here yesterday, shared the perception that all disputes, both with States and between States, be resolved through dialogue and without conflict, which made outside interference possible. The leaders agreed that it was not in the interest of international stability that forces based on narrow considerations were unleashed.

Mr. Rao's visit to Paris, Mr. Mitterrand said, was a sign that both sides were keen on resuming diplomatic dialogue and strengthening relations in all fields.

Mr. Rao's stopover here was primarily to resume the dialogue.

Government Blamed for Recent SAARC Fiasco

92AS0303B Calcutta ANANDA BAZAR PATRIKA
in Bengali 16 Nov 91 p 4

[Article by Sunit Ghosh: "India Has the Primary Responsibility for the Effectiveness and Strength of SAARC"; quotation marks as published]

[Text] It is not known yet whether "SAARC" [South Asian Association for Regional Cooperation] has gotten a place in the Guinness Book of World Records as the most controversial international organization. The organization, which was born six years ago in an atmosphere of controversy, still remains as a center of controversy. It is logical to raise the question of how far it is possible for an organization like this one to build and expand a relationship on the basis of cooperation among the seven south Asian countries. The main factors of controversy are the mutual distrust, the lack of unanimity and mutual suspicion among the member nations on the question of keeping the bilateral issues out of the jurisdiction of SAARC.

Since the first summit conference of SAARC held at Dhaka in 1985 to the fifth summit at Male, the capital of Maldives, last year, one matter stood in the way of unanimity. It was whether SAARC would be able to reach its final objective by keeping aside the question of bilateral issue. Though the skeptics were more in number, they could not muddle the water due to the opposition of India.

In the Dhaka summit, Pakistan created a misunderstanding by its fruitless attempt to raise the Kashmir issue through the back door. In commemoration of the summit, Pakistan wanted to publish a special postal stamp of one Taka with a map of the subcontinent in which Kashmir and Sikkim were shown outside the boundary of India. Pakistan's motive was clear. If that postal stamp had been released through the emotional

and oratorical juggling of words in speeches, Pakistan's and some of its allies' desire to create a debate about the issue of Kashmir and Sikkim might have gotten an official recognition. As the matter became known at the right time, in the end the stamp was not published.

In spite of that, after the first SAARC summit at Dhaka, the atmosphere of warm friendliness, which was created among the seven nations began to get cold within a couple of months. The controversial issues, which were moving fast toward solution through bilateral negotiation, stalled once again with new debatable questions. The problems in Kashmir and Sri Lanka, the question of Pakistan's experimental atom bomb explosion, the posting of army in the Indo-Pak border, Rajib Gandhi's warning to Pakistan and the existence of an atmosphere of war between these two countries drove the second SAARC summit of Bangalore, India, into uncertainty. No reasonable answer was received from government circles about why Rajib Gandhi chose that particular time to give warning to Pakistan and why the army was put on alert on the border at the same time. The deterioration of the relations between New Delhi and Colombo on the issue of the Tamil problem of Sri Lanka created uncertainty about the visit of Jayavardhana to India. Finally, the Bangalore summit took place and many misunderstandings had been resolved through bilateral talks.

At the beginning of the third summit at Kathmandu, many different controversies surfaced again. The major points of controversy evolved around the question of Afghanistan's application for membership in the SAARC; about the cooperation of SAARC with the 'Aasians'; about the introduction of a 'regional dealing pattern' as a united way to fight against terrorism; about the establishment of a lending organization and about the important issue of curbing the proliferation of nuclear weapons in this region. But no controversy stood as an impassable hurdle as there existed a good and mutual understanding between the heads of states.

Uncertainty again arose about the fourth summit. It was decided at Kathmandu that the 1988 fourth SAARC summit would be held in Sri Lanka and the fifth summit would be held in Pakistan. But it was not possible for the Sri Lankan Government to make arrangements for the summit as the result of the internal disturbances caused by the terrorist activities of the Tamils in the north and the 'Peoples Liberation peramunas' of the south. To manage the situation, Pakistan's Prime Minister Benajir Bhutto arranged the fourth summit to be held at Islamabad. It was noted that she did not raise any controversial issue which could embitter the atmosphere of the summit. On the other hand, through free and frank bilateral discussion with Rajib Gandhi, an atmosphere of mutual understanding was created among these two countries. The Indo-Pak Cultural Pact was one of the immediate results of these negotiations.

But in 1989, SAARC summit could not take place at Colombo because of the opposition of Premdas, the

president of Sri Lanka. Premdas, who was dead against the Indo-Sri Lankan treaty. Disregarding any diplomatic norms he called the Indian peace keeping troops an 'occupying army' and declared that so long as Indian troops were on Sri Lanka soil, there would be no summit at Colombo. Needless to say that Premdas took this stand solely to embarrass India. As a result, no SAARC summit was held that year.

Losing the chances to hold the summit for two years, Sri Lanka failed to host it again in 1990. The decision to hold the 1990 summit at Male, the capital of Maldives, was made during the summit at Islamabad two years ago on the request of President Gaiyum of Maldives as that particular year was the 25th anniversary of the country's birthday. In the meantime, due to the normalization of the domestic situation in Sri Lanka, Premdas insisted to hold the fifth summit at Colombo. But the heads of state of other countries decided to stick to the earlier decision of holding the summit at Male. Feeling disappointed, Premdas did not attend the summit at Male and Prime Minister Bijetunge represented Sri Lanka at that summit. According to Sri Lanka's Constitution, the prime minister is not the head of the state. But no country objected to the Sri Lanka's representation by Bijetunge in that fifth summit.

But at that time, on the question of representation, SAARC became involved in a new controversy. The sixth summit was scheduled to be held at Colombo, the capital of Sri Lanka, during the first week of November. Jigme Wanchuk, the king of Bhutan, announced earlier that he would not be able to attend the summit at Colombo because of the domestic problems in his country. It was decided that some other person, nominated by the king, would represent Bhutan in the summit. But India objected to this matter of representation. The Indian Government contended that according to the charter of SAARC, only the heads of states or governments could attend the summit. The Nepalese prime minister also supported the Indian stand. As a result, the Colombo summit was postponed. Sri Lanka blamed India for the postponement of the summit at Colombo.

Apparently, this Sri Lankan charge against India was not without reason. According to the charter of SAARC, the heads of states or governments of the member countries would meet once in a year at a summit and all decisions would be reached unanimously. This direction of the charter had not been followed in the past. In the Bangalore summit, Prime Minister Junejo represented Pakistan on behalf of the president. Neither Rajib Gandhi nor any other leader of any country raised any objection. In last year's summit at Male, Indian Prime Minister Chandra Shekhar did not cancel his trip, which brought on the issue of the absence of the President of Sri Lanka. In spite of the clear direction of the charter, no summit was held in 1989 and no country took it as a violation of the charter. In that case, the example set by India this year objecting to the holding of the summit by raising the constitutional issue of the absence of the head of state of

a member country is not a healthy one. SAARC is an organization of seven countries and not of seven persons. It was not clearly stated in the charter that all the heads of states must have to be present at the summit. India might be unhappy with the attitude and utterances of Premdas, but the matter lies between the two countries. But it is indecent to use the issue of SAARC to embarrass Premdas. It is the responsibility of India, the largest country of south Asia, to strengthen the SAARC. If the charter gets in the way for the holding of the annual summit, it should be amended. This kind of proposal had already been presented by Pakistan and Sri Lanka. India should take the initiative to remove SAARC from the red tape of the charter in the interest of cooperation among the South Asian nations.

Analyst Calls For Foreign Policy Based on Consensus

92AS0327A New Delhi JANSATTA in Hindi 20 Nov 91
p 6

[Article by Ray Singh: "There Needs To Be a Reevaluation of Foreign Policy"; quotation marks as published]

[Text] After independence, the developers of India's foreign policy thought that slogans like "The Indians and the Chinese Are Brothers" would bring in an era of friendship between India and China. This was a delusion. Then Chinese Prime Minister Chou En-Lai gave all kinds of support to then Pakistani Prime Minister Mohammed Ali Bogra at the Bandung Conference, and hinted to Jawahar Lal Nehru that China needed neither India's support nor its experience. Chou En-Lai clearly indicated that the main purpose of China's foreign policy was to limit India's influence. To this end, China was willing to repeat the mantra of Panchsheel; however, what China really wanted was to fool, cajole, and flatter India's neighbors to help reduce India's influence and keep India busy with the problems in South Asia.

In order to counter this situation, India first extended its hand to the USA and obtained the privilege to get food grains under PL-480. India did not have any success, however, in any other area. After Soviet leaders Khrushchev and Bulganin's successful visit to India, the developers of India's foreign policy promoted the idea of Indian-Soviet brotherhood in order to counter China's anti-India policy. In 1962, China attacked India and effectively hushed the slogans of Indian-Soviet brotherhood, because when Prime Minister Jawahar Lal Nehru asked for help from the Soviet Union, Khrushchev turned his face away, responding that China was a communist brother, while India was just a friend. This was the time for India to understand the difference between relationships between "brothers" and "friends," and for it to mold foreign policy accordingly. But India did not do so, due to another misunderstanding. According to India's foreign policy developers, China could be a friend even after its 1962 attack on India, and support from Russia could also be increased.

In the framework of this policy, Krishna Menon continued to repeat support for China in the United Nations and outside of it. This made Western nations become our enemies, and we gained nothing in return. Opposed to this, Pakistan established close relations with the USA, and maintaining its anti-India policy, also got China's support. Pakistan then prepared to attack India. In sum, we can say that because of their impractical policy, the Indian leaders gave more emphasis to slogans and took little support from the set rules, and limited India's sphere of foreign policy to the Soviet Union. India benefited from it, because an Indo-Soviet treaty agreement was signed in 1971, which helped India to win the Bangladeshi war. The Soviet Union also benefited from this friendship, because India supported it at every opportunity in spite of its 1979 aggression in Afghanistan.

On 11 November of this year, the Soviet Union surprised India in the political committee meeting of the United Nations. The Soviet Union endorsed the proposal made by Pakistan and Bangladesh that asked that South Asia be made a nuclear-free zone. India had always opposed such proposals, and the Soviet Union had never supported such a proposal until 11 November. The Soviet Union, the Ukraine, and Byelorussia, however, voted in support of this proposal on 11 November and sent the message to India that it should not depend on Soviet support in the United Nations any more. There were 104 votes in support of this proposal. Twenty-five nations did not participate in the voting, and only Bhutan and Mauritius voted in support of India. This situation clearly indicates that India's foreign policy has lost face on an international level. This development shook up the Indian foreign ministry badly. In order to get clarification on this issue, Foreign Minister Madhav Singh Solanki visited the Soviet Union from 14 to 18 November and discussed it with Soviet leaders in Moscow. India's stand was that the political committee of the United Nations had presented this proposal in a hurry, because all regional leaders are required to have a discussion before such a proposal is introduced. Such discussions can help to obtain sympathy for the proposal. In addition, India said that until worldwide nuclear nonproliferation is arranged, it is inappropriate to declare a specific region as a nuclear-free zone.

This 11 November proposal was not a new development, because Pakistan and other nations had tried to make South Asia a nuclear-free zone in the past, too. At the time of voting in the political and security committees of the United Nations, however, the Soviet Union had not approved this resolution. This time, the Soviet Union, by supporting the proposal introduced by Pakistan and Bangladesh, has proved that its foreign policy is taking a new turn, and India's foreign policy, based on slogans, cannot maintain its old relationships. This was the main reason that Indian Foreign Minister Madhav Singh Solanki went to visit the Soviet Union immediately. It is difficult to say at present whether this trip will help

India; however, we can definitely say that if this trip was postponed for even a few days, India would have had a greater chance of attaining its goals. There is no central leadership in the Soviet Union now, and there is no one who can be the main leader. Gorbachev has lost his effectiveness. On 14 November, Gorbachev himself ceremoniously announced that the old Soviet Union had adopted a new union system. According to this system, each Soviet republic would make its own decisions on every Soviet issue, including foreign relations. Even in the capital of Moscow, the orders of Boris Yeltsin, the president of the Russian republic, are being obeyed. It has already been announced that the current Soviet foreign ministry will be trimmed by 90 percent, and that it will function by coordinating the foreign policies of various republics. These announcements clearly indicate that Soviet foreign policy at this time is at a point where it is impossible to make any decisions. In such a situation, the question of the Indian foreign minister's success or failure does not rise. As for our foreign minister learning about the Soviet foreign policies in Moscow or developing understanding about the new Soviet Union, all we can say is that Mr. Solanki will not be able to learn or feel much during this political tug-of-war in Moscow. As for Boris Yeltsin's attitude toward India, all we can say is that it is based on India's reactions to the 19 August failed coup in the Soviet Union. It is obvious that Boris Yeltsin was not impressed with India's stand, and Mikhail Gorbachev is now in precisely the same situation that Bahadurshah Jaffer was in after the 1856 rebellion in Delhi. It would have been better for Madhav Singh Solanki to ask a special representative in the Indian Embassy in Moscow to gauge the situation there. It is time for India's foreign minister to restructure Indian foreign policy and foreign service personnel. Trips abroad can be taken later.

Until now, whenever the question of Kashmir was raised in the United Nations, it would reach only the voting phase in the Security Council. At that time, the Soviet Union used its veto right, and India did not have to face the defeat. However, it is clear now that the Soviet Union will not use its veto power against Kashmir again. This is another aspect of India's foreign policy that should be discussed seriously and soon. Unless another option is found, India will not only be embarrassed in international politics, but India's people will also begin to question why and how it all happened. This is not 1962, when a leader could save his neck by saying "we are lost in the world of our own imagination." It is not the period of an imaginary world, and foreign policies are formed with facts, not with slogans. It is important that serious discussions are held at every level to give a solid base for our foreign policy. We must first accurately evaluate the situation in our neighbor countries, European nations, and the USA, and then decide on our priorities. Only after doing so can we form a strategy for the future. Mr. Narsimha Rao talks about the politics of consensus. He should get cooperation in formulating foreign policy, and should include the opposition in it.

Joshi Scores Center's Dealing With Terrorists

92AS0450A Calcutta THE TELEGRAPH in English
29 Nov 91 p 5

[Excerpts] Calcutta, 28 Nov—The BJP [Bharatiya Janata Party] president, Dr. Murli Manohar Joshi, today suggested that the Indian Army should destroy those bases in Pakistan where the Kashmir and Punjab militants were being trained. "There is nothing wrong if the Army resorts to hot pursuit to chase the terrorists and demolish their bases across the borders," he said.

Asked whether such "hot pursuits" by the Army would not lead to a war with Pakistan, Dr. Joshi said, "We are not talking of war. Hot pursuit is hot pursuit. Our Army will be fully justified in destroying the bases from which the mischief is being done."

The BJP leader was highly critical of the Centre's role in dealing with the terrorists, but made it clear that there was no question of toppling the Narasimha Rao government over the issue. "We only want to caution both the government and the people," he said.

Dr. Joshi alleged that some eminent political personalities like Dr. Farooq Abdullah, Mufti Mohammad Sayeed, Dr. Karan Singh and the Panthers' Party leader, Mr. Bhim Singh now wanted to take back Kashmir to the pre-1953 position when it had its own independent flag and a Prime Minister.

"This demand was made at the all-party meeting held in Delhi on 14 November. This was a serious stand to which our party strongly objected," he said. Dr. Joshi referred to Dr. Abdullah's statement made on 7 February asking his "partymen to go to Pakistan and lie low rather than getting arrested by Jagmohan."

The BJP president asserted that terrorism was assuming a definite pattern in India. "Originating in Pakistan its gradual spread to Kashmir, Punjab, Uttar Pradesh Bihar, West Bengal and Bangladesh takes the shape of the corridor demanded by Jinnah. "But the Centre simply does not care about it," he said.

Dr. Joshi said the recent arrest of the former home secretary of Tamil Nadu for his alleged links with the LTTE [Liberation Tigers of Tamil Eelam], Mr. Chandra Shekhar's statement in Parliament about LTTE-ULFA [United Liberation Front of Assam] links and the activities of terrorists in Kashmir indicated that terrorism had become a multidimensional menace. He also feared "a silent demographic invasion" from Bangladesh in the next few decades when people would simply cross over to India after one-third of Bangladesh got destroyed in natural calamities. [passage omitted]

Dr. Joshi demanded replacement of the Minorities Commission by a human rights commission to enable people of all castes, creeds and religions get their grievances redressed. He felt a new uniform civil code, suited to the Indian ethos, should be formed after a thorough study of all the civil codes in the world. [passage omitted]

BJP Proposals on Jammu-Kashmir Criticized
92AS0303A *Calcutta ANANDA BAZAR PATRIKA*
in Bengali 16 Nov 91 p 4

[Editorial: "Kashmir: Solution in Which Way"]

[Text] The All Party Conference regarding the Kashmir issue has just been ended. Kashmir is one of the burning problems of the nation. The problem is not limited within the geographical boundary of Kashmir. The matters, which are at stake in this valley, are those of racial and ethnic equality, harmony and coexistence. Naturally, these issues must be discussed at the highest political level. The prime minister has expressed his intention to call a meeting of the National Integrity Council very soon. This just-ended All Party Conference preceded that meeting. In the conference, all the parties stressed the need to organize public opinion against terrorism and, side by side, emphasized the importance of taking political initiative, which means, in case of necessity, negotiating with the terrorists. Anxiety was expressed in the conference about Pakistan's intention to destroy the integrity of India by helping the terrorists. In the conference, BJP [Bharatiya Janata Party] took a different stand. This party not only repeated its old demand to nullify the special constitutional status of Kashmir by amending article 370 of the constitution, but also proposed the division of Kashmir into three different states—Kashmir, Jammu, and Ladakh. The representatives of all other political parties in the conference were surprised by this newest proposal of BJP.

The BJP proposal is unrealistic and not at all acceptable. First, article 370 of the constitution, which gave Kashmir a separate status, stands as the basis or condition of the incorporation of Kashmir into India. According to this, this particular state has its own constitution and the state government enjoys more power in the administration of the state. When all the states are demanding more political and economic power from the central government, this kind of proposal to nullify the special constitutional status of Kashmir goes against the direction of history. The basic ideal of democracy is also decentralization. It gets its fulfillment in a proper federal system where the relations between the state government and the central government are clearly defined. The demands for more power for the state governments for the administration of the states and transferring more economic and political power and rights to the hands of the state governments are raised by different states including some states where BJP is in power. When the demands are made for more power and rights for all other states, the proposal to discontinue the privileges enjoyed by the Kashmir state is, no doubt, a politically motivated one. The motive behind this can be found in the BJP's proposal to divide Kashmir into three states—Hindu majority Jammu, Buddhist majority Ladakh, and Muslim majority Kashmir. This proposal is not only politically motivated, it is also a dangerous one. If this proposal materializes, there will remain no communal integrity in the country.

In fact, in respect of communal integrity, Kashmir is something like a "model" in front of the rest of the country. It is a state where three different religious communities have had peaceful coexistence. In this state, there is no history of communal riot. Even at the time of extreme terrorism and the separatist movement, no sign of communal hatred or animosity had been noticed. True, with the beginning of the terrorist separatist movement, a large portion of the Hindus came to Jammu from different parts of the valley leaving their homes and belongings and this incident caused the anger of BJP. The fear, a sense of insecurity, and terrorist attacks, were the dominant factors behind the migration of the Hindus to Jammu. In fact, the terrorists of Kashmir declared war against the administration and the security forces, and until now, they did not take the weapon of violence against the people of different communities. The ideal atmosphere of communal harmony, peaceful coexistence, and friendliness, which existed at this stage, cannot be found in many other states in India. If this state is divided on the basis of religious community, then the minimum part of the old Indian tradition of religious secularism, which is still in existence, would completely be destroyed. Moreover, those who are demanding to divide Kashmir today, would put the same demand on the same principle for the other states tomorrow. Then it would not be too far to see the birth of a Hindu India, Muslim India, Buddhist India, and Christian India. We, therefore, urge countrymen to remain alert and cautious about the propagators of the Hindu state.

BJP Rejects Coalition With Congress-I

92AS0442A *Bombay THE TIMES OF INDIA*
in English 28 Nov 91 p 1

[Text] New Delhi, 27 Nov (The Times of India News Service)—The senior BJP [Bharatiya Janata Party] leader, Mr. L.K. Advani, today rejected the idea mooted by the senior RSS [Rashtriya Swayamsewak Sangh] leader, Mr. Bhaurao Deoras, that the BJP should enter into a coalition with the P.V. Narashimha Rao government in the interest of stability at the Centre, and said that it was "totally off the mark."

Mr. Deoras had made the statement in an interview published in this paper today. Mr. Advani said he totally disagreed with the perception put forth in the interview and added that none in the BJP had even thought on those lines.

"I do not know if that is the view even within the RSS, but Mr. Deoras' statement has been given in his individual capacity. In any case, there is not much of a difference in the perceptions of the Congress and non-Congress opposition parties, for example, on the issue of secularism. In view of our stand on this issue, the idea of a coalition with the Congress is totally off the mark," Mr. Advani told newsmen.

The BJP leader's reaction to Mr. Deoras's idea is considered unprecedented given the rigid RSS culture which

is known for speaking in one voice and which normally extends to the entire "Sangh family." RSS sources pointed out that there was no such instance in the past when opinions of two top leaders of the RSS family were so different and that too, had come out in the open.

Meanwhile, the Congress views the RSS suggestion for a coalition between the BJP and the Congress to provide stability in the Centre as being based on "political mischief."

Coming down heavily on the observations of Mr. Bhaurao Deoras, RSS leader, made in an interview published in this newspaper, Prof. C.P. Thakur, Congress spokesman, asserted that the Congress was capable of giving a stable government and would continue to generate a consensus. In order to carry out its responsibility, it did not need any coalition "and certainly not with the BJP."

At the outset, the spokesman said that the Prime Minister did not need any testimonial from any individual and it was for the people of India to judge what the country needed and whether he was delivering it.

New Plans for Delhi Administration Announced

92AS0429A Madras THE HINDU in English 6 Dec 91 p 1

[Text] New Delhi, Dec. 5—Delhi will soon get a Legislative Assembly and a Council of Ministers with appropriate powers and status while it would continue to be a Union Territory as recommended by the Balakrishna (Sarkaria) Committee, the Union Home Minister, Mr. S.B. Chavan, announced in Parliament today.

In a suo motu statement in the Lok Sabha, Mr. Chavan said the government was keen to implement the decision on the future set-up for Delhi and would come forward with the necessary Constitutional Amendment Bill, if possible in the current session of Parliament, to give Delhi a legislative Assembly.

Poll in Six Months

The Minister said every effort would be made to hold elections to the new legislative assembly in about six to eight months after the enactment of a legislation and on the basis of fresh delimitation of constituencies. The Union Minister of State for Home and Parliamentary Affairs, Mr. M.M. Jacob, made a similar statement in Rajya Sabha.

With the acceptance of the Sarkaria Committee recommendations, the vociferous demand made by the Bharatiya Janata Party (BJP) for statehood to Delhi stands rejected. The decision of the Union Government was preceded by a series of consultations between the Home Minister and the Delhi MPs [members of Parliament] and leaders of all political parties early this week.

Replying to clarifications sought by members in Rajya Sabha, Mr. Jacob said the government intended very

soon to hold another round of consultations with the representatives of all national parties and Delhi MPs on the modalities of the proposed legislation on the future governmental set-up for Delhi.

Mr. Jacob sought to emphasise that the announcement made by the government was only a statement of intent and the actual details of the proposed legislation will be on the basis of consensus among the political parties. He was hopeful that in the course of next one week the government could finalise the proposed legislation.

Hegde Interviewed on Janata Dal, Congress

92AS0330A Varnasi AJ in Hindi 25 Nov 91 p 6

[Interview of Rama Krishna Hegde by Vaid K. Nathan; place and date not given]

[Text] Mr. Rama Krishna Hegde, Janata Dal leader and former chief minister of Karnataka, has proposed several logical strategies for rehabilitating the political forces in the nation. We are presenting below an interview with Mr. Hegde by K. Vaid Nathan of the NEWS SCRIBE.

[Nathan] Mr. Hegde, what made you ask all former Congressites to return to the Congress Party? According to some people, there is a fear that you are acting used just like Ajit Singh to break up the Janata Dal.

[Hegde] This is not true. I am thinking about our nation's long-term interests. My proposal cannot be implemented immediately. In a developing democracy like our country, political polarization is an ongoing process. In my opinion, it should continue to happen until a two-party system has evolved in a mature political system.

[Nathan] What was the need for asking former Congressites to return immediately, though?

[Hegde] We have to accept the fact that the BJP [Bharatiya Janata Party] has emerged as a national party. I do not think that it will lose its effectiveness during the next few years.

[Nathan] Please explain the conditions under which the Janata Dal will support the Congress Party.

[Hegde] Even though the Congress is not what it used to be, it is still in the government. There was a positive change after Rajiv Gandhi's assassination, and that is the end of dynastic rule. I do not see the possibility of a similar development again. I had made this statement soon after Rajiv Gandhi's assassination and before the elections. It is important to help rectify the crisis our nation is facing by giving support to the most powerful political party. We opposed the late Mrs. Indira Gandhi and Mr. Rajiv Gandhi, because they had separated the Indian National Congress from its old values. During their regime, all democratic institutions (Parliament, courts, and the press) had been totally insulted.

[Nathan] Do you feel that after this dynastic rule has ended, the Congress(I) will change as a party?

[Hegde] I believe that after this dynastic rule is over, the inner circle, which had been balancing power within the party and at the government level, will become weak gradually. After this, the devoted Congressites with faith in old values, as well as Janata Dal leaders, will have the opportunity to establish mutual cooperation. By this I do not mean that these parties should merge immediately.

[Nathan] Do I understand correctly that you do not believe in a merger, but support a coalition?

[Hegde] I am thinking about the future. If the BJP forms a government, then it is important to have a powerful opposition to protect our national interests. I have always tried to have, in addition to a ruling party, another united group as an option which, if the people are disappointed by the performance of the ruling party, offers itself as an option to the people. As long as the present government does not make a dangerous mistake or continues to follow the policies and principles honestly, we should not try to remove this government. If this government also begins to act like the late Mrs. Gandhi and Mr. Rajiv Gandhi's governments, then we must remove it as part of our national duty.

[Nathan] Imagine that after such an agreement, coalition, or merger, Mrs. Sonia Gandhi enters into this...?

[Hegde] Mrs. Sonia Gandhi will never enter into it. This will be the end of dynastic rule. If Mrs. Sonia Gandhi enters politics, then it is definite that the Congress Party will break up. Once a coalition is formed, then the inner circle will have to leave, and the old Congress will emerge as a powerful party. This is my dream, which is being ridiculed by some as being farfetched. But I do not agree with them.

[Nathan] Mr. V.P. Singh is totally against any kind of agreement with the Congress(I). In such a situation, the BJP would not only be the major opposition party, but also would become the only opposition party.

[Hegde] In this process of political rehabilitation, this kind of development is necessary. As I stated earlier, imagine if the BJP comes into power. What will be left for us to do? Will we continue to fight among ourselves or unite and become strong to form an effective opposition? If we remain divided, then even when a non-Congress vote is divided, then it will still be able to rule the country for 40 years. The BJP will also remain in power, even when non-BJP votes are divided. If the establishment of power continues this way, then all possibilities of the BJP returning to power will become strong.

[Nathan] What mistake did the Janata Dal make? What was the reason that this party faced defeat in every state except U.P. [Uttar Pradesh] and Bihar in the last election?

[Hegde] The Mandir-Masjid issue played a major role in the Janata Dal's defeat. The steps taken for the Mandal Commission were viewed as wrong by a major part of the population. The people thought that students were committing suicide, and that the role of the government was that of a silent spectator. Later no step was taken to remove fear from the minds of other groups in the country. As a result, our party was asked to do a task that only helped the backward castes, minorities, and unscheduled castes. In spite of this, we did not receive the support of the majority except in two states. We did not get support from the minorities either. We gave up the government just to protect the mosque. This had, however, helped to improve our image.

[Nathan] You had been the vice chairperson of the Planning Commission. How do you view the changes taking place on the nation's economic front?

[Hegde] I support liberalization; however, only in specific areas. I am not opposed to foreign imports, but the question is, what are those foreign imports? My answer is that if the imports are in the area of high technology and heavy industries, then I support it. If these imports are for consumer goods, however, then it is totally wrong. We should not destroy our cottage and small industries in the name of trade liberalization. The foreign exchange earned during the last 10 years in the name of liberalization is a lot less than was spent. Equity cooperation is not important. The most disappointing aspect of India is the problems caused by the bureaucracy. Until we rectify these problems, we cannot expect positive results from changes in policy. We have unlimited possibilities of agricultural industries in our country. We can export vegetables and flowers. Our land is fertile, and in our climate, all kinds of crops can be grown. If we are determined, then we can fill all European markets with these goods.

[Nathan] What do you think of Narsimha Rao as prime minister?

[Hegde] So far, he has not committed any blunders. He has adopted a unitarian attitude, and he should be commended for it. He is moving very carefully, and we cannot criticize the way he is working in his office.

[Nathan] Mr. Hegde, my last question: Which party will break up—the Congress (I) or the Janata Dal?

[Hegde] Perhaps both of them.

[Nathan] And afterwards, what?

[Hegde] Political power will be restructured.

Editorial Views Threat to National Unity

92AS0330B Varnasi AJ in Hindi 21 Nov 91 p 6

[Editorial: "The Challenge to National Unity"]

[Text] Celebrating National Unity Week on the birthday of former Prime Minister Indira Gandhi is an important

step for many reasons. Mrs. Gandhi spent her life in service to the nation, and sacrificed it for national unity. The president, vice president, and the prime minister went to Shakti Sathal to offer flowers and pay homage to this great personage and her great deeds. The father of our nation, Mahatma Gandhi, also sacrificed his life with "Hey Rama" for the sake of communal good will and national unity. The late Prime Minister Indira Gandhi emphasized national unity in her last speech. She said that every drop of her blood would strengthen national unity. Therefore, celebrating national unity on Mrs. Indira Gandhi's birthday is most appropriate. There is no doubt that various activities and creative actions taken during National Unity Week will help to rebuild our nation, and we will receive new inspirations. The most important need of our nation is national unity and oneness, and a willingness to face this challenge bravely and firmly.

Recently the National Unity Federation was reorganized. A meeting was held in which it was suggested that the Rama Janambhumi issue be resolved with an open mind. Discussions were held about resolving this issue with understanding and according to the court ruling. Mutual talks had been going on for many years; however, no decision was made, and this is deplorable. Rama's statute has been established for the last 40 years in the so-called Babri Masjid. Therefore, if we do not call it Rama's Birthday Temple, then what else can we call it? This is a matter for logical thinking and discretion. It should not be considered in a religious fanatic way. All this is really deplorable. The ruins of the Vishwanath temple give us evidence that a mosque was built here after the temple was destroyed. The Hindus have been tolerating this patiently; therefore, the other group should give up its stubbornness and demonstrate its brotherhood and tolerance. The same is being said about Krishna's birthplace in Mathura. In such a situation, it is intolerable that one religious group shows such obstinacy. It takes two to make a quarrel, and unity can be established only when sacrifices are made. This should always be remembered. An all-party meeting was held on the Kashmir issue with the goal of establishing national unity and oneness. In this meeting, all groups declared Jammu and Kashmir to be an integral part of India. The way Pakistan is sending armed terrorists to Kashmir and Punjab to stage the drama of murders and destruction is a serious challenge to our nation's unity and oneness. It has been suggested that political action be started in Kashmir, and it is important that former chief minister Farookh Abdullah, Mr. Syed, and other leaders continue their efforts to stop the activities of terrorists in Kashmir. We must help the hundreds of thousands of people who have left Kashmir and are living as refugees to return to Kashmir and to resettle them. The first requirement is that we make sure that they are protected. How can we start political action until the Kashmiris who left home because of the terrorist activities of the extremists are returned home and settled? The same can be said for the violence that is prevalent in Punjab. It has been decided that elections will be held there next February;

however, as long as violence and murders are prevalent there, no free elections can be held. The use of armies has helped to alleviate the problem of terrorist activities of ULFA [United Liberation Front of Assam] in Assam. Until the army is deployed in Kashmir and Punjab, we cannot establish national unity there. During National Unity Week, we must promise to ourselves that we will face this challenge.

Transfer of Land Seen Embarrassment for CPM Government

Opposed by Coalition Partners

92AS0304A Calcutta ANANDA BAZAR PATRIKA
in Bengali 15 Nov 91 p 5

[Article by Ashis Ghosh: "Tin Bigha: The Left Front's Partners Have Fallen Into the Opposition"]

[Text] On the issue of leasing Tin Bigha to Bangladesh, the partners of the Left Front are in deep problem. Forward Block, one of the two powerful partners of the Front in the Cooch Bihar district, had been opposing the transfer of Tin Bigha to Bangladesh from the very beginning. On this issue, the district leadership of Forward Block had proceeded so far that it is impossible for them to back out. If they want to back out, the very existence of the party would be at stake. The other partner CPM [Communist Party of India-Marxist] is also a problem. They can neither ignore the emotions of the local people, nor they can speak clearly about the implementation of the Tin Bigha Pact. Now, they are propagating all the time and everywhere that the country's "sovereignty" would be kept.

Shankar Dey, the secretary of CPM's zonal committee of Mekhaliganj, said that they have no clear idea about what is going to take place to make the pact effective. They would say what the CPM state committee would ask them to say. In answer to a question, he said that they did not think that no such situation had arisen to "resist" the implementation of the pact. But he also said that in case of necessity resistance would be used. On the other hand, just after the visit of chief minister Jyoti Bosu, the Forward Block leader Kamal Guha said that nothing became clear from the statement of the chief minister. They are unable to understand how the sovereignty [integrity?] of India would be intact after the leasing of that land for 999 years. They would continue their movement against the transfer of Tin Bigha. Taking the advantage of the disagreement and confusion among the Left Front partners, SUCI [Socialist Unity Center of India] entered into the field. Their organization, "Tin Bigha-Kuchlibari Sangram Committee" called for a general strike over there after a meeting with the chief minister. It was officially stated that the strike was generally successful to a large extent.

The disagreement of the partners of the Front became wider on the Tin Bigha issue that centered on the visit of the chief minister. It was decided at a meeting held in

Calcutta between the leaders of Forward Block and CPM that the chief minister would pay a visit to Tin Bigha to obtain first-hand knowledge about the matter. Forward Block decided that they would give a warm welcome to the chief minister. It was also decided that the chief minister would also visit Kuchlibari. But the local district CPM committee was in opposition. They opposed it on the grounds of why would Forward Block only make the arrangement for the visit of the chief minister. Then it was decided that the meeting would be called in the name of Left Front. But now Forward Block opposed it. They argued that when there is a disagreement among the partners of the Front on the issue, how could meeting be called in the name of the Left Front? Finally, it was decided that the meeting would be called in the name of the state government. On the day of the meeting it was noticed that Forward Block brought a large number of people to the meeting by chartering buses and trucks and CPM also did the same thing. Naturally, the meeting was well attended. To welcome the chief minister, Forward Block erected many gates by the roadsides and each gate carried an anti-Tin Bigha pact slogan. In some places, it was written that Tin Bigha would be kept even by sacrifice of lives. The gates, which had been erected by CPM, carried the slogan "Long Live November Revolution." On the gates or posters of CPM, nothing was written about Tin Bigha.

The local people are so aggrieved on Tin Bigha at this moment that CPM cannot ignore Forward Block. At the time of his visit to Tin Bigha, the chief minister requested that Kamal Guha come to Calcutta during the 26th and 28 of this month for a discussion. Informed of this, Kamal Guha said that the whole situation is becoming more complicated by the statements and press notes released by the chief secretary of the state and the I.G. [Inspector General] of the Border Security Forces in charge of North Bengal. He told the chief minister to look into the matter and that bureaucrats should not make any statement on the issue of principle such as this one. "Tin Bigha Sangram Committee" under the leadership of Kamal Guha declared that they would continue their movement. "Kuchlibari Sangram Committee," led by Congress and BJP, also declared their intention to continue their movement. BJP went a step further and declared that beginning next month, they would begin a statewide movement on the Tin Bigha issue. Some circles alleged that BJP wants to fish in troubled waters with the help of their communal propaganda. Apart from some small organizations, three main groups are involved in the Tin Bigha movement: (1) Forward Block; (2) Congress-BJP [Bharatiya Janata Party]; and (3) SUCI. In spite of having differences on some issues relating to Tin Bigha, all three groups protested in their own languages against the decision to transfer this land. Forward Block demanded nullification of the 1982 Tin Bigha pact. SUCI said that the implementation of the pact should be postponed and an all-party convention and the session of the assembly should immediately be called to discuss the matter. BJP said that whatever the case may be to hand over or lease, they would oppose the

transfer of Tin Bigha to Bangladesh. From the speech of the chief minister, it was understood by all that CPM, after imposing some conditions, would shift the whole thing onto the shoulders of the central government and would favor the implementation of the Indo-Bangladesh pact. In fact, the state government has no jurisdiction in any international negotiation or pact. The whole thing resides within the jurisdiction of the central government. The entire controversy and debate center around the question of what the state government would say or ask the central government about Tin Bigha. It is to be observed whether this issue would take the course of an unified nonpartisan opposition movement, as happened in the past on the question of the transfer of Berubari.

Facing Difficult Decision

92AS0304B Calcutta ANANDA BAZAR PATRIKA
in Bengali 18 Nov 91 p 4

[Editorial: "Jyoti Basu Is in the Net of Tin Bigha"]

[Text] Those who always feel pride and are thrilled by comparing Bidhan Chandra Ray, the former legendary chief minister of West Bengal, and Jyoti Basu, the current chief minister, would be happy to see that one of the pain-in-the-neck-type problems of the late chief minister now rests on Jyoti Basu's shoulder. The problem of Berubari began at the time of Jawaharlal Nehru on the basis of Nehru-Noon Pact. In the next phase, to reduce its complications, the pact signed by Indira Gandhi and Sheikh Mujibur Rahman resolved some of the problems but gave birth as well to some new problems. It is needless to say that the opposition parties did not like the proposal to lease Tin Bigha land to Bangladesh for an indefinite period of time in the interest of Bangladesh to maintain a direct link with Panbari Mauja. Many people in the Congress party also are very much embarrassed about the Tin Bigha issue and at present there is hardly any person in the party to whom it does not matter. In this part of Bengal, the emotional sentiments, felt for the newly independent Bangladesh, the closest neighboring country speaking the same language, had ended long ago. The activities and the utterances of the leaders of Bangladesh are not such that the divided and overpopulated people of West Bengal will feel joy in handing over a piece of land to them. The trouble is, Bangladesh also does not think that West Bengal has enough sympathy and good will for them. They may think that West Bengal wants to reject a pact signed by the prime ministers like Nehru and Indira only because they have deeprooted bad feelings about them. The truth is, when interests clash, reasons do not work. If bad feelings and distrust get mixed up with the clash of interests, it becomes extremely difficult to find a solution.

In fact, right now chief minister Jyoti Basu has fallen into an extremely embarrassing situation. He is a rational person. When the prime ministers of two countries sign a pact, it depends on the state government whether to protest or not. After careful consideration,

the state government might request the central government to reconsider the decision in the interest of the state. But in the present structure of the constitution, the state government does not have the right to unilaterally reject the pact. If Jyoti Basu wants to, he cannot do that. On the other hand, if Bangladesh gets the Tin Bigha lease by his authorization, it may make the people angry and it would affect the ballot box. The anger of the common people about Tin Bigha might seem to be irrational at the first glance, but it would be stupid for an experienced and clever politician to ignore it. The question of popular support or vote would come later on. At present, the solid unity of the Left Front is at stake. Forward Block was involved in a movement for a long time on the issue of Berubari. The uncompromising and struggling attitude of this party on the Berubari issue is one of the main reasons for the enormous popularity of that political party in north Bengal. That Forward Block is one of the main partners of the Left Front. It would not be wise for the all-powerful CPM [Communist Party of India-Marxist] to do something that could annoy Forward Block. These two political parties have been competing for a long time to expand their respective political influence in different parts of the state. In the game of politics, this kind of thing is a very normal matter. But the Berubari or Tin Bigha issue is a completely different one. Jyoti Basu is trying to ensure that in spite of leasing Tin Bigha to Bangladesh, it would still remain under the sovereign authority of India. This assurance is something like trying to divert the attention of the kids. That question of sovereignty is a settled matter in the pact and there is no controversy about it. What new point Jyoti Basu is trying to make? CPM would be in real trouble if the common people, being really aggrieved, get involved in the movement in large numbers. Moreover, Kamal Guha, an extremely aggrieved and angry Forward Block leader and a former minister of Left Front, is present to double the fire and the strength of the movement.

Restructuring of Communist Parties Considered

92AS0432A Madras THE HINDU in English 3 Dec 91
p 11

[Text] New Delhi, Dec. 1—Exactly a month from now begins a process which could well see the birth of a "New" Left in India—a less dogmatic Left, more in tune with a climate bereft of ideological certainties. A significant debate is going on in the two communist parties and the first hint of a change, flowing from this debate, is expected at the Fourteenth Congress of the CPI(M) [Communist Party of India-Marxist] when it meets in Madras from January 3; and this would be followed by the CPI's [Communist Party of India] congress in Andhra Pradesh in March-April.

The discussions in the two parties centre round the need for a reorientation of policies in view of the developments in what was until recently the socialist world, and for liberalising their organisational functioning. The changes being contemplated by the CPI are a great deal more sweeping than what the CPI(M) is planning. The

CPI proposes to give up the very concept of "democratic centralism" which, it feels, has become discredited because of the manner in which it was practised in the Soviet Union and other socialist countries.

The point being made by the pro-changers in the CPI is that democratic centralism instead of promoting democracy led to excessive centralism in the CPSU and alienated the rank and file from the party. The attempt is to restructure the organisation in a way as to emphasise inner-party democracy. This would mean making elections to the major party forums more open, reduce concentration of power at the "top" and encourage participation of members—as opposed to senior leaders—in decision-making processes.

The party is also about to give a go-by to the traditional marxist concepts like dictatorship of the proletariat, and class struggle. Adherence to Marxism-Leninism is being sought to be replaced by allegiance to the teachings of Marx, Engels and Lenin. Greater effort is to be made to recognise and "appreciate" the role of caste and religion in a society where they are deeply ingrained. Wiser by the Soviet experience of the command economy, a section of the party leadership is stressing a more decentralised economic system with the public sector no longer being treated as a "holy cow."

While the proposals enjoy the support of the party General Secretary, Mr Indrajit Gupta, and senior leaders like Mr M. Farooqi and Mr N. Balram, a fairly influential section including one of its national secretaries Mr A. Bardhan is opposed to them. The Opposition is particularly sharp to the move to give up the concept of "proletarian internationalism" and to substitute "Marxism-Leninism" by a simple reference to the teachings of Marx, Engels and Lenin. A showdown is on the cards, and it seems highly unlikely that the "reform package" will get through in the form it is being contemplated.

Yet, in whatever form the changes are finally approved the CPI is not going to be the same. Senior leaders emphasise that the party will emerge with a new face, even if the changes are not as radical as some would like them to be. In a sense, what is taking shape is some form of a social democratic party though it may not like to describe itself officially as such.

The CPI(M) is moving more slowly, but considering that it has been the more dogmatic—"Stalinist" is the term generally used in relation to it—of the two parties it is significant that it is thinking of a change at all. A senior central committee member says that what the party is in for is some "fine tuning." Though the details are still being discussed, the idea seems to be to strengthen inner-party democracy without diluting the concept of democratic centralism.

It does not agree that democratic centralism led to the collapse of the CPSU, and points out that the Soviet Communist Party actually paid the price for giving up democratic centralism. "They made the mistake of

ignoring democracy and stressing centralism, whereas we want to strike a balance between the two," explains a party source.

Safeguards are to be evolved both against misuse of democracy, and centralism. So, even as efforts would be made to ensure that "genuine" dissent is not suppressed there would be a simultaneous effort to see that nobody indulges in anti-party activity in the name of democracy and dissent. Sources take pains to point out that the developments in the Soviet Union have no bearing on the proposed changes and that the party organisation was in fact due for review early this year.

Unlike the CPI, the marxists are not planning any significant shift in policy and the CPI(M) leaders

repeatedly stress that the party has always tailored its policies to the ground realities at home within the broad Marxist-Leninist framework. The style of the Left Front Government in West Bengal is cited as a proof of the party's home-grown Marxism. A section in the party which was not very comfortable with the Left Front Government's policies may now find itself marginalised by those who favour a more realistic policy dispensation.

How far the Left will eventually change is difficult to say, but the fact that the need for a change is being discussed is itself significant. The harsh reality, according to the critics of the Left, is that the Left has few options but to change if it wants to survive.

World Bank Assistance To Increase by \$500 Million

92AS0422A Bombay *THE TIMES OF INDIA*
in English 7 Dec 91 pp 1, 11

[Article by Gautam Adhikari]

[Text] Washington, December 6—The World Bank yesterday decided to give \$900 million more in assistance to help India adjust its economic imbalances and further implement its economic reforms programme.

Around \$500 million would come in the shape of a structural adjustment loan. Another \$400 million would be provided from savings made from unutilised portions of past International Development Association (IDA) credits which would ultimately go towards creating a "National Renewal Fund," as proposed by the government of India. This is the first time that India has been able to recycle IDA savings in this manner.

The bank's executive board formally approved the two programmes yesterday. The first tranche of the structural adjustment loan, amounting to \$300 million, would be released immediately. The remaining amount would be available later, most likely after the presentation of the next budget, which should reflect further reforms initiated by the government.

While all board members were full of appreciation for India's attempts to implement reforms so far, some expressed a desire to see the pace of implementation quickened. Some also inquired about India's proposal to reform its financial sector, especially banking, said informed sources who declined to be named.

Mr Jagdish S. Bajjal, India's executive director at the World Bank, told the media last evening that the back-drop of the bank group's assistance lay in, "The measures already taken by the government, as also those being further contemplated." About the financial sector, he said that the bank's expectations were that "there will be further liberalisation in the financial sector."

The bank had noted the submission of a report on the financial sector by the Narasimham committee recently and was happy to see that the committee's recommendations were under active consideration, Mr Bajjal said.

The total amount made available to India out of IDA savings is \$650 million. Out of that, \$250 million would form half of the structural adjustment loan (SAL) of \$500 million, the remaining \$400 million going eventually towards creating a social-safety net for workers, when India implements an exit policy for sick units.

The mix of the SAL thus is such that India would have to pay a comparatively low rate of interest, slightly below four percent, because the IDA portion of the funds carry no interest at all. The \$400 million for the Renewal Fund would also carry no interest, since it comes entirely from the IDA.

Effects of Proposed Amendments to MRTP Act Viewed

92P40074A Madras *DINAMANI* in Tamil 25 Nov 91
p 6

[Commentary by K. C. Lakshminarayanan: "M.R.T.P. Act: Two Important Amendments"; boldface words as published]

[Text] The Monopolies, Restrictive, and Unfair Trade Practices [MRTP] Act was amended by means of an emergency ordinance. These amendments are revolutionary. It is believed that these amendments are the result of the new industrial policy announced by the central government a few months ago. Some say that these are welcome changes, whereas others say that the very basis of the MRTP Act will be weakened by them.

The Amendments

The following two important amendments have been introduced by the ordinance:

1. The exemption hitherto granted to public-sector enterprises and cooperatives under the MRTP Act will henceforth be revoked. This means that from now on these enterprises will have to abide by the rules contained in the MRTP Act.
2. There were many restrictions to expanding the scope of an organization already defined as a monopoly, under the MRTP Act. This ordinance provides for the removal of all those restrictions.

Public Enterprises

The following types of enterprises have been exempt so far from the rules for unfair and monopolistic trade practices:

An industry owned by the government, an industry owned or controlled by a company belonging to the government, an establishment owned by corporations set up by the central or state governments, an industry that has been subsidized by the government, and a cooperatively owned industry. These will no longer be exempt from these rules. Henceforth, public and cooperative enterprises will also have to abide by these rules.

Why the Hesitation?

In 1988, a task force on appeals recommended to Parliament the removal of the exemption of the public-sector clause. The then government of Rajiv Gandhi did not accept the recommendation. That government decided that they must continue to be exempt. The public sector existed for the good of the public, and was already under the stiff scrutiny of Parliament. It was argued on behalf of the government therefore, that additional control by the MRTP Commission would not be fair.

There was in fact, another important reason for the position taken by the central government. The government-subsidized industries in smelting, petroleum, cooking gas, coal, and electrical goods had been hiking their prices periodically. The public railway and air service had frequently raised the fares for passengers and the fee for cargo.

The administration feared that someone might file a case against these price and fare hikes and that the MRTP Commission or the courts might prohibit such increases, as well as penalize the industries.

This was the real reason for the government wanting to extend the exemption to government and government-supported enterprises.

The Commission's Recommendations

The MRTP Commission itself made the recommendation that there should not be one set of rules for private industries and a completely different set for public industries.

At the same time, many industrial and commercial establishments also complained about the public industries' coveted exemption. The new industrial policy of the government was also announced a few months ago. The central government has come to realize that this exemption cannot continue to be justified. This is why an ordinance was issued to remove the exemption provision.

From now on, if public establishments increase bus and train fares or increase the price of petroleum, coal, steel, etc., any representative of the public may file a case with either the Commission or the courts.

It is clear that, the central and the state governments will have to deliberate at length before raising the prices of their wares and the fares of their services. The general public will welcome the fact that these rules apply to cooperatives as well. The cooperatives in certain states like Maharashtra have been acting as though they were monopolies. They have even influenced politics to a great extent. Henceforth, it is going to be impossible for the cooperatives to copy the practices of the monopolies and restricted trades.

Monopolies

The president's emergency ordinance has deleted all of the provisions under Section 3 of the MRTP Act entitled, "Concentration of Economic Power."

The practice of issuing licences to industries has been greatly reduced following the introduction of the new industrial policy. The government seems to feel that given the present circumstances, there should no longer be many complaints against monopolies and therefore these rules can be dispensed with. This has resulted in the removal of many restrictions on monopolies.

This is another revolutionary development. Some are of the opinion that this will result in industrial development whereas others feel that there will be an undesirable concentration of economic power.

Section 3

An unlimited concentration of economic power to the common detriment, results in inequality in society. The wealthy will have a dominating influence on politics. The rules under Section 3 of the MRTP Act were designed to prevent the extraordinary accumulation of wealth and economic power with only a few people. Section 3 dealt with controlling and regulating the expansion of monopolies. Previously, it was required for monopoly houses to obtain prior approval of the government and the MRTP Commission for expansion, inclusion of new undertakings, merger, amalgamation, and takeover, etc.

Concentration of Economic Power

It should not be forgotten that the MRTP Act does not forbid the accumulation of wealth completely. It only concerns itself with an accumulation, the scale of which renders it detrimental to the common good. Unless new industries are started, resulting in increased production and exports, the currently deplorable Indian economy cannot be rescued. This is why the Indian ministers have been recently visiting various foreign countries, and have been spreading the word that the foreign and multinational corporations can invest generously in India.

Why is it logical to restrict the expansion of internal trade enterprises while soliciting increased investment of foreign capital? It is with this in mind that all the restrictions under "Concentration of Economic Power" have been removed.

Rules Regarding Shares

There is no need to fear that there will be an imbalanced accumulation of wealth among just a few as a result of the relaxation. The rules concerning monopolies and unfair trade practices have been retained as they were under the original act. To a certain extent, these will continue to control unjust and improper trade activities.

The rules concerning acquisition or exchange of shares by large corporations, which are powerful enough to exercise control over smaller companies, are placed under Section 3A (subsections 30A-30G). These rules have not been deleted.

Henceforth, the rules concerning shares will be changed to suit the companies and thus will prevent monopolies from indulging in unfair practices in the share market.

Chit Funds

Chit funds and real estate business will also come under the control of the MRTP Commission. The Commission

will now be the authority to question "unfair and restrictive practices" in these businesses also. While enlarging the definition of the phrase "unfair trade practice," the ordinance has [included "false representation with respect to quantity of goods also" and thus] improved the ruling.

The MRTP Commission and the director general of Investigation and Registration have been given increased authority under the president's emergency ordinance of amendments. Deterrent penal provisions have also been added for contravention of the orders passed by the MRTP Commission. It appears to be the government's intention to effect the desirable and accelerated growth of the nation's industries while still being able to curb restrictive and unfair trade practices.

Background

To assess the nature and scope of the concentration of economic power in India and to make recommendations on how to improve the situation, a Monopolies Inquiry Commission was set up by the government. This Commission produced a comprehensive report in which it recognized the existence of the concentration of economic power. The Indian Constitution requires that there be social and economic equality and justice. The Inquiry Commission pointed out that to allow such concentration of economic power is in violation of this requirement. Based on its report and recommendations the MRTP Act was passed and has been in effect since 1970. Amendments to improve the act have been issued periodically.

Objectives

There are four main objectives to the MRTP Act:

1. To prevent a concentration of economic power to the common detriment; control of monopolies.
2. To prohibit monopolistic and restrictive trade practices.
3. To prohibit unfair trade practices.
4. To prohibit unjust trade practices.

The amendments issued should take into consideration that these basic objectives stay intact.

The "Justice Rajinder Sachar Commission Report of 1977" reinforces this.

Industrial growth should be encouraged without weakening the basic objectives of the MRTP Act. The public enterprises and cooperatives should be made to realize that they also share the responsibility of maintaining social and economic justice and balance. Expanding the authority of the MRTP Commission and the director general of Investigation and Registration should counter the unfair and monopolistic practices in trade and industries.

The amendments introduced through the ordinance will help to achieve these goals.

Problems in Forming, Implementing Plan Reviewed

92AS0448A Madras *INDIAN EXPRESS* in English
28 Nov 91 p 1

[Article by R. Sasankan: "Panel in Fix Over New Eighth Plan Outlay"]

[Text] The Planning Commission appears to be in a fix over the new eighth five year plan. Having fixed an ambitious outlay and a growth target, it is now trying to stave off a situation wherein it will have to substantially lower the annual plan outlay for 1992-93 from the current year's level.

The eighth plan is scheduled to begin from 1 April.

Sources in North Block acknowledge that the Planning Commission and the International Monetary Fund (IMF) are in conflict with each other. The basic thrust of the IMF's adjustment programme is to control inflation and fiscal deficit whereas the eighth plan aims at growth. On present reckoning, the adjustment programme will stay at least for the next three years. This obviously means that the axe will fall on plan expenditure during the first three years of the new plan.

Sources in North Block say there is not much scope for pruning non-plan expenditure as it consists mainly of defence expenditure, subsidy and interest burden. The annual plan discussion has already begun, and with the IMF insisting that the fiscal deficit be limited to 6.5 percent of the gross domestic product (GDP), the government is finding it extremely difficult to fix the annual plan outlay for next year even at the current year's level.

This is considered a bad beginning as 1992-93 is the first year of the new eighth plan. The original Eighth Plan which commenced in 1990-91 was aborted before it could complete two years.

According to the IMF, growth rate in the first two years of the plan will be 3 to 3.5 percent. This would mean that to achieve the average annual growth rate of 5.6 percent, as projected by the Planning Commission, the last three years of the plan should achieve a 8 to 9 percent growth rate. Official circles say this will be a difficult task. The GDP growth in India depends mainly on the monsoon. The normal pattern has been that two good monsoons are followed by one average and two bad ones. India has been having good monsoons consistently for the last four years.

The rate of inflation in terms of the wholesale price index is around 13.5 percent. If the present trend continues, the entire Eighth Plan may go out of gear. The IMF wants inflation to be contained at the level of 8-9 percent for the first two years of the plan to be brought down to six percent in subsequent years. It is pointed out

that the government certainly cannot afford inflation at the present rate. Here again the easy option is to prune plan expenditure.

Sources point out that as the growth slows down, the revenue shortfall will widen. The revenue from the customs has been on the decline following the freeze on imports. The Eighth Plan envisaged an export growth of nearly 14 percent per annum in volume. In the first six months of the current year, exports growth averaged only six percent.

The future of the eighth plan is not totally in the hands of the Indian planners. The IMF will have a say in deciding its course.

The Planning Commission had come in for criticism for fixing an unrealistic growth rate. Sources say one compelling reason for setting the magic figure of 5.6 percent must have been the economy's performance during the seventh plan period. The present government did not wish to be blamed for setting the future target lower than the economy's past performance level. Even the ambitious outlay of Rs[rupees]3,42,00 crore for the public sector has been fixed on assumed savings rate and incremental capital output ratio (ICOR).

Shortfall in Spring Harvest Expected

92AS0441A Calcutta *THE TELEGRAPH* in English
29 Nov 91 p 8

[Text] New Delhi, 28 Nov (UNI)—The kharif foodgrain production this year is likely to fall short of the 103-million-tonne target as per the current assessment.

The reasons for the production fall were long dry spells and aberrant weather conditions prevailing particularly in the northwest, including Bihar, Haryana, Himachal Pradesh, Madhya Pradesh, Uttar Pradesh and Rajasthan, the minister of state for agriculture, Mr. Mullapally Ramachandran, told the Lok Sabha today.

To make up for the shortfall, a strategy for the 1991-92 rabi season had been drawn up in consultation with the state governments during the national conference on agriculture for rabi campaign. It included contingency cropping, a larger area of coverage under rabi/summer rice, wheat, rabi/summer maize and pulses.

Steps To Bolster Foreign Trade Reported

Clearances, Equity

92AS0449A Bombay *THE TIMES OF INDIA*
in English 30 Nov 91 p 15

[Text] Bombay, 29 Nov—The Reserve Bank of India [RBI] today announced that existing companies in India which already have some foreign equity holdings and wish to increase the foreign equity up to 51 percent will receive automatic approvals, subject to their fulfilling the stipulated eligibility criteria and complying with the procedures laid down.

The following categories of companies will receive automatic approval for raising their foreign equity levels.

(1) Companies wishing to raise foreign equity as part of an expansion programme: A company wishing to raise its foreign equity from existing levels to 51 percent may do so as part of an expansion programme provided the programme is in high priority industries shown in Annex III to the statement on industrial policy.

The additional equity should be part of the financing of the expansion programme and the funds to be remitted should be in foreign exchange. It is clarified that for this purpose a company need not engage itself exclusively in activities listed in Annex III; only the proposed expansion must be exclusively in the high priority industries shown in Annex III.

(2) Companies wishing to raise level of foreign equity up to 51 percent without an expansion programme: A company exclusively engaged in high priority industries listed in Annex III can also raise its equity from existing levels to 51 percent without an expansion programme. The increase in equity level must result from expansion of the equity base of the existing company. The additional foreign equity must be from remittance of foreign exchange.

Requirement of Preferential Share Allocation

On receipt of RBI approval the company must pass a special resolution under Section 81(1A) of the Companies Act proposing preferential allocation of the required volume of fresh equity to the foreign investor.

Issue of Shares and Share Valuation

The CCI [Controller of Capital Issues?] will allow preferential allocation of equity in favour of the foreign investor on the basis of the RBI approval for expansion of foreign equity and the adoption of the special resolution by the company. For such cases, the price of new equity will be fixed by the CCI on the basis of market prices, computed on the basis of the average price for the six months period preceding the date on which the application is received in the CCI with a discount of upto 10 percent if requested by the shareholders resolution.

Any bonus issue which may have been declared during this period will be taken into account for determining the market price. For companies undertaking such equity expansion, disinvestment, in future, will also be at market price computed on the same basis.

Procedures For Approvals

Applications for the purpose may be made in the prescribed form FC(RBI) which will be available from 2 December 1991 at Sales Section (DRPP), Department of Economic Analysis and Policy, Reserve Bank of India, P.B. No. 1036, Amar Bldg., Fort, Bombay-400 001.

The Reserve Bank of India will issue the necessary permission for the foreign equity investment under the

Foreign Exchange Regulation Act, 1973(FERA). This permission will include exemption from the operation of Section 26(7), 28, 29 and 31 of FERA.

Simultaneously the Reserve Bank of India will confirm where applicable that the import of capital goods is covered by the foreign equity. Based on this confirmation, the Chief Controller of Imports & Exports shall issue the relevant import licence for capital goods imports.

Under the procedure outlined above the plant and machinery proposed to be imported must be new and not second hand. There will be no indigenous clearance of these capital goods.

Dividend Balancing

Para 39B(ii) of the policy statement provides for the monitoring of outflow of foreign exchange on account of dividend payments which are to be balanced by export earnings over a period of time as indicated below. This monitoring will be done by the Reserve Bank of India.

The balancing will be done on the following basis:

(i) The condition of dividend balancing is required for all companies receiving approval for foreign equity upto 51 percent.

(ii) The balancing of dividend would be over a period of 7 years reckoned from the date of commencement of production for companies raising their level of foreign equity for an expansion programme.

For companies which are raising their foreign equity levels without an expansion programme, this period will start from the date of allotment of the shares raising the level of foreign equity to the newly approved level.

(iii) Remittances of dividends should be covered by earnings of the company from export of items in Annex-III. The amount of dividend payment may be covered by export earnings of such items recorded in years prior to the payment of dividend or in the year of payment of dividend.

Other Proposals for Raising Level of Foreign Equity in Existing Companies

All other proposals, for raising of foreign equity levels in existing companies will be subject to usual procedures. Applications will be made to the Secretariat of Industrial Approvals in the Department of Industrial Development in the prescribed form. This will include proposals involving increase in foreign equity upto 51 percent which do not meet any or all of the criteria outlined above.

Export Credit

92AS0449B Madras *INDIAN EXPRESS* in English
29 Nov 91 p 14

[Text] Bombay, 28 Nov (Express News Service)—Export-Import Bank of India (Exim Bank) has introduced, for the first time in India, pre-shipment export credit in foreign currency.

The credit will finance the foreign exchange costs of imported inputs for export production, such as raw materials, components and consumables. This finance will be repayable in foreign currency from the proceeds of the relative exports.

The Indian exporter is, therefore, unlikely to face any foreign currency fluctuation risks. Such transactions will also be self-liquidating in nature.

Foreign currency pre-shipment credit (FCPC) envisages Exim Bank raising short-term foreign currency funds on a revolving basis from one or more syndicate(s) of overseas lenders. Exim Bank will fund commercial banks in India who opt to avail of FCPC for on-lending to eligible exporter-customer for import of eligible items. Commercial banks in India will, in turn, allocate FCPC limits to their customers on the basis of their assessment of import requirement for export production. The advances granted under FCPC to the exporters will be fully liquidated from the export proceeds of the relative export bills. The maximum period of an advance under FCPC will not generally exceed 180 days.

For the Indian exporters, FCPC provides a three-fold benefit, according to the Exim Bank. One, it is an additional funding source for expanding export volumes, particularly of manufactured and value-added goods with some import content. Two, it eliminates exchange risk, thus enhancing export competitiveness. Three, depending on market conditions, it could prove to be a cost-effective funding window in the context of possible constraints in accessing rupee export credit as well as overseas credits such as suppliers' credits. From the viewpoint of the banking system, FCPC will supplement rupee resources of commercial banks which could be utilised for higher yielding domestic commercial sector. It will also represent an additional earnings stream. Operational mechanism of FCPC envisaged is a transparent arrangement where the linkage between export earnings and payment for corresponding imports is clear and will facilitate credit monitoring. Finally, FCPC could serve as a beginning for introduction of a currency-linked market-oriented export credit system in the country.

The Indian exporter now will have a choice between taking pre-shipment export credit in Indian rupees or in foreign currency. The interest on Indian rupee pre-shipment export credit is set by the RBI [Reserve Bank of India] and is currently 15 percent per annum. The foreign currency pre-shipment credit rate will vary with

the international short-term market rates. This represents a step forward in harmonising pre-shipment export credit rates with international market interest rates.

Report on Remarks of Economic Affairs Official
92AS0443A Bombay THE TIMES OF INDIA
in English 28 Nov 91 pp 1, 3

[Text] New Delhi, 27 Nov (The Times of India News Service)—In related moves to improve the country's foreign exchange reserves, the government today extended the deadline for the India Development Bond and foreign exchange remittances schemes till the end of January 1992, while ruling out a further devaluation of the rupee.

The National Housing Bank deposit scheme for black money which was to expire on 30 November is also being extended up to 31 January 1992.

Addressing a news conference, the economic affairs secretary, Mr. Montek Singh Ahluwalia, said the foreign exchange reserves showed a net increase of Rs[rupees]2,600 crores as against Rs 4,000 crores in the beginning of October this year. The Development Bond and remittances schemes were expected to yield a total of Rs 1,000 crores.

Since the foreign reserves had improved considerably, there was therefore no question of a further devaluation of the rupee. Any speculation regarding another exchange rate adjustment was thus misleading as the government as part of an understanding with the IMF, was committed to policies to ensure stability of the exchange rate, Mr. Ahluwalia said.

The government's confidence in being able to stabilise the exchange rate also arises from its projection of inflation rate during the current financial year. The annual rate which exceeded 16 percent was now at 13 percent, and is expected to come down further during the remaining months of the year.

Mr. Ahluwalia said the reduction in fiscal deficit would have its impact on the demand side during the last three months of 1991-92, while progressive relaxation of import curbs would have a healthy impact on the supply side.

He felt that a part of the rise in prices was due to severe import curbs clamped from March this year besides the high fiscal deficit prior to the presentation of this year's budget in July. But by pruning the government expenditure to limit fiscal deficit to 6.5 percent of the GDP [gross domestic product] while following a tight monetary policy, the government would be able to reduce the rate of inflation and thereby also stabilise the exchange rate.

Mr. Ahluwalia maintained that international perception of India had undergone a sea change. India has been taken off the watch list by the international credit rating agencies.

The foreign exchange reserves were expected to improve further during the coming months with the board of governors of World Bank meeting in the first week of next month to sanction a structural loan of U.S.\$500 million.

Of this, about \$300 million is expected to be released by the Bank next month. In addition the Asian Development Bank would be releasing a loan of \$150 million under the hydro-carbon assistance programme. In addition to this loan, the government is also expecting fast disbursing aid from India's major donors during January and February.

Mr. Ahluwalia was confident that the foreign exchange reserves would be maintained at least at the present level by the end of the current financial year after meeting the debt servicing obligations.

The economic affairs secretary was also optimistic on the export front. Expectations, he said, were now better and government policies were beginning to have their impact.

Exports to the general currency area during the first half of the current financial year (April-September) were up by 5.4 percent in dollar terms. The remittances of export proceeds had also been substantial.

He said even if volume growth of exports took some time to increase, the faster remittances of export proceeds reflected an increased confidence in the government's policies and the stability of the exchange rate.

Replying to questions on fiscal deficit, Mr. Ahluwalia said it was true that the revenue from customs fell short of the target by about Rs 2,000 crores. But this was due to import compression. With relaxation of import curbs from October onwards, the government expected the customs revenue to pick up.

Referring to a newspaper report on the visit of the RBI [Reserve Bank of India] governor to Washington to have discussions with the IMF and the World Bank, Mr. Ahluwalia said the visit was part of a foreign tour covering Tokyo, New York and London. The discussions with the IMF related to the current arrangements with the Fund for an upper credit tranche standby arrangement of \$2.2 billion over a 20-month period. There were no discussions on the possibility of India seeking a loan under the IMF's Extended Fund Facility (EFF).

Mr. Ahluwalia clarified that the appropriate time for seeking the EFF loan would be sometime after the presentation of next year's budget, say in March or April 1992.

Pawar Answers Defense Development Questions

92AS0438A Bombay *THE TIMES OF INDIA*
in English 30 Nov 91 p 7

[Text] New Delhi, November 29 (UNI)—India and Pakistan have decided to establish communication links between the air forces and the navies, the defence minister, Mr Sharad Pawar, disclosed in the Lok Sabha today.

He told Mr G.N. Gajapathi and Mr M. Nayak in a written answer that it had also been decided to reactivate the existing telephone links between Baramula-Murree and Rajouri-Jehlum for use by the sector army commanders concerned whenever necessary.

The two countries have agreed to intensify interaction and exchanges, including participation in seminars organised by the respective institutes of strategic studies.

Mr Pawar said these arrangements were made during the visit of an Indian defence delegation to Pakistan in September. During the talks, the situation along the line of actual control international border was reviewed and measures to carry the confidence-building process further were discussed.

An agreement was also reached between the Indian and Pakistani directors general of military operations to prevent use of artillery, mortar and rocket fire along the line of control from October 16, 1991, Mr Pawar said.

The resource constraint has necessitated economy measures in the armed forces, resource optimisation, rationalisation and reprioritisation of programmes and activities of the armed forces, Mr Pawar said.

The coast guard is being strengthened and modernised in accordance with the coast guard perspective plan (1985-2000) and the five-year coast guard development plan, which envisaged its balanced growth commensurate with its requirements subject to the availability of funds, Mr Pawar said in another written reply.

There is a proposal to improve and strengthen the eastern naval command, the minister said.

The depreciation in the value of the Indian rupee in relation to foreign currencies has resulted in an additional liability of about 25 percent of the payments to be made for imported defence equipment, Mr Pawar said.

He said the government had seen a press report that the Swedish company Bofors would close down its office here.

The government has taken adequate steps to ensure the continued supply of spares for the Bofors guns, he said.

In a written reply to Mr V.S. Vijayaraghavan, Mr Pawar said the government was aware of the takeover of Nobel industries by the Swedish government.

He said Nobel industries and FFV, a wholly state-owned company of Sweden, have set up a new company by the name Swedish Ordinance-FFV/Bofors. Noble industries and FFV each have a 50 percent stake in the new company.

The government proposes to further increase the participation of the private sector in the manufacture of the light combat aircraft.

The minister told Mr P.M. Sayeed in a written reply that the private industry had been utilised for fabrication of wind tunnel model parts, tool design and manufacture and computer facilities for simulation.

"Further, it is proposed to involve the private sector more in fabrication of aircraft parts, sub-systems and test facilities taking due care of quality and security, Mr Pawar said.

Paper Interviews Army Chief Rodrigues

92AS0436A Bombay *THE SUNDAY TIMES OF INDIA*
in English 1 Dec 91 pp 1, 8

[Article by Pravin Sawhney]

[Text] New Delhi, November 30—The evolving Indo-U.S. defence co-operation is based on a "shared strategic perception, which will evolve into a mutual arrangement that benefits both equally," observed General S.F. Rodrigues, army chief and chairman of the chiefs of staff committee.

In an exclusive interview, the first-ever since his much-publicised recent visit to Washington, the army chief spoke about Indo-U.S. relations.

He also dwelt on the army's increasing involvement in the insurgency situations, its combat readiness, training imperatives and the role for women in the army.

Closer Indo-U.S. co-operation is in the larger national interest. The pace of this development will be determined by its mutual worth, according to the army chief. In tune with the national commitment of achieving peace and stability in the subcontinent, as outlined by the Prime Minister, Mr P.V. Narasimha Rao, the nation is looking forward to a period of consolidation based on national interests, strengths, weaknesses and perception of mutually shared objectives.

This national thinking will determine the debates and programmes which can be instituted in Indo-U.S. defence co-operation, according to Gen Rodrigues.

This national perception will also set the tone for the visit here in January of the high-level U.S. military delegation led by Lt-Gen Johnny Corns, army commander for the Pacific Command.

It may be recalled that Washington has suggested some preliminary defence proposals such as more exchange of officers, witnessing of each other's military exercises and

seminars dealing with strategic and operational matters—what has now come to be known as the “Kick-leigher proposals.”

On being asked if India had sought any force multipliers from the U.S., the general said that he was “trying to identify and get those systems, sub-systems and components that will augment combat capability to remove any mismatches that may exist.”

Force multipliers are components for night fighting and information-gathering, accuracy and more range achievers, which enhance a weapon system's fighting capability. These sophisticated sub-systems performed well during the recent Gulf war.

Commenting on the ongoing Operation Rhino against the United Liberation Front of Asom (ULFA) insurgents in Assam, the army chief said, “The army will not be needed for much longer.” ULFA had had certain aspirations but it has lost its will now and is resorting to intimidation and coercion. Their “Robin Hood” image, to which some of the nation's media also contributed, has been debunked, according to Gen Rodrigues.

A clear picture of the Assam problem is fast emerging. The pressure on ULFA from the Assamese themselves will be so great that the movement will peter off, the general observed. He drew attention to the recent hartals and bandhs masterminded by ULFA, using women and children, about which the army had prior knowledge gleaned from the seized ULFA documents, and the feeble response it provoked amongst both the urban and rural Assamese.

Commenting on the increasing use of the army in Punjab, Kashmir and Assam, the army chief made it clear that the army was not creating chaos or terrorising people anywhere. “It is there because there has been a gradual degeneration of the administration of the state, and a stage has come where the perception is that you can only restore the situation by bringing the army.”

The role of the army is only to create such conditions whereby various agencies of the government are restored and work jointly towards normalcy, the chief observed.

While Gen Rodrigues agreed that the insurgents' propaganda machinations were good, he evaded questions regarding the army's own weaknesses in the psychological operations needed to combat insurgency. These include the exploitation of the print and electronic media and various other means employed to discredit an elusive insurgent.

Commenting on the need to “retrofit” and upgrade the existing T-55 tank fleet and providing the main battle tank, T-72M1, with thermal imagers for night-fighting capabilities, in the light of the indigenous tank Arjun reportedly still having many flaws, the army chief stressed on the need for eventually having an indigenous tank.

The weapon systems are acquired not because they are “state of the art or technologically-superior weapon systems,” but they are evaluated on the basis of the “dynamism of military planning,” Gen Rodrigues observed. First, the environment in which the forces are to operate is evaluated, followed by threat perceptions, what equipment the adversary possesses and what additional military assets he is likely to acquire.

It is equally important to fully understand the integrated all-arm capability, surveillance capability and troop training to operate the new weapon system.

Commenting on the much-talked-about training command, the army chief discounted the myth created by the media that this new command is being raised to create more posts for senior officers. The aim of the training command is to provide a “structured approach to the evolution of new concepts and doctrines.

Explaining this, the chief said the individual training till now had been personality-oriented. There was a need to evaluate and analyse the evolving concepts in their totality and to institutionalise them.

On the role of women in the army, the general said that he was identifying those jobs that women could take on straight away. A firm believer in the “equality of sexes,” he said women will first have to see if they could function in the active areas of the army, as he was not prepared to bend the rules for anyone.

Admiral Reports on Planned Aircraft Carrier, Missiles

92AS0425A Bombay THE TIMES OF INDIA
in English 6 Dec 91 p 7

[Article by Pravin Sawhney]

[Text] New Delhi, December 5—Navy's new aircraft-carrier will be totally indigenous, both in design and construction, according to the naval chief, Admiral L. Ramdas.

In conversation with TOINS [Times of India News Service] the naval chief expressed confidence in having a light-aircraft-carrier ready to replace the aging Vikrant by the end of the decade. The tonnage is expected to be between 20,000 and 25,000 tons, which means it will accommodate around 25 aircraft and helicopters on board.

A preliminary study contract was agreed to with the DCN-Sofma of France in 1988. The aircraft-carrier under study was to be equipped with a ski-jump for Sea-Harriers aircraft and a catapult and a brake-carrier for MiG-29s and the naval version of the light combat aircraft (delta wing).

The naval chief clarified that the new aircraft-carrier would be indigenous right from the design stage, being worked by the naval design organisation, to its commissioning in the service.

Though the chief declined to comment whether the Naval Design Organisation (NDO) had frozen the design of the carrier, it may well be nearing so, if the carrier is to be in service by the end of the decade.

It may be mentioned that the aircraft-carrier is a multi-role sea control ship. It provides both integral air defence to the fleet and is a vital link for anti-submarine warfare against submarines fitted with tube-launched sea-skimming missiles like the Exocet and Harpoon missiles.

With Pakistan having acquired these deadly missiles in air launch versions also, to be fired from Atlantics, Seakings and P-3c Orion aircraft, the navy is eager to strengthen the fleet air arm. In one year, few Sea Harriers and Ka-28 (KAMOV) have been added, besides the first Dornier from the air force having joined the navy for training purposes.

Commenting on the Trishul, which is essentially a medium range anti-aircraft missile, Admiral Ramdas said that a variant to this version has shown during trials done by the Defence Research and Development Organisation (DRDO) that it is possible to use it at low heights along the sea surface as anti-missile against sea-skimming missiles. The naval version of Trishul is basically a spin-off of another technology strapped on to the original version of the missile.

The chief explained that naval officers are working along with the DRDO and are involved in all the stages of the missiles trials. The first thing, however, is that Trishul in the original medium air-defence version be accepted during user trials, then only the naval version can be evaluated. Besides the missile the whole fire control system has to be examined, which includes the warning radar, matching guidance radar and other essential parts in the missile system. "Only once the whole missile weapon system is proven can it be inducted into the service," the chief explained.

Defense Export Efforts Noted, Problems Viewed

92AS0426A Madras INDIAN EXPRESS in English
19 Nov 91 p 5

[Article by Ramakrishna Upadhyaya: "HAL Exemplifies Hurdles in Defense Exports"]

[Text] The USSR no longer being in a position to play godfather to Indian defence establishments, the acute foreign exchange crunch and a new liberalisation have combined to exert pressure on defence production units to seek the export market more aggressively. However, the task is proving more daunting than had been hitherto imagined.

The first Defence Minister from the warrior Maratha stock, Sharad Pawar has talked of Rs[rupees]1,000 crore exports in the coming year, but many hurdles have to be crossed before the nation can come anywhere near this target.

A recent Defence Ministry note states: "The Government is keen to impart a thrust to defence exports both for augmenting the foreign exchange earnings, and for optimising the utilisation of capacities established in the defence public sector units and ordnance factories."

The Government had taken certain decisions, as early as August 1988, to simplify and liberalise the defence exports policy. It authorised defence PSUs [public-sector undertakings] to export their products without a case-by-case accounting. The Ordnance Factories Board also got the go-ahead to export, particularly in cases involving prevailing RBI [Reserve Bank of India] restrictions.

So far, though, results have been none too spectacular: Exports worth Rs 80.11 crore in 1989-90 and Rs 78.94 crore in 1990-91.

The Hindustan Aeronautics Limited (HAL), Kanpur, one of the 12 production units of "the only aviation industry in Asia whose corporate capabilities span the entire range of activities from product conception to after-sales support in virtually all areas of aircraft technology," offers a classic case study of how and why Indian defence establishments have a long way to go before Mr Pawar's dreams can become a reality.

The HAL, Kanpur division, set up in 1960, is a national pioneer in manufacturing and overhauling transport category aircraft. Starting with the HS-748, it has, over the years, produced Rohini gliders, Basant agricultural aircraft and abinitio training aircraft-HPT-32 and HPT-34. Presently, the Dornier DO-228, a light transport aircraft manufactured under license from Dornier GmbH of Germany, is the mainstay of the division. Adaptable to a wide variety of roles like commuter transport (19 seats), air taxi, maritime surveillance, paratrooping and logistic support, the craft has proved its versatility.

Besides catering to Air Force and Naval needs—they are its main customers—the Kanpur HAL is in a position to meet export demands—for which there is a vast potential. But a combination of factors like the foreign exchange squeeze, an iniquitous division of "territory" with the licensing company, and crippling customs and sales taxes have virtually grounded the HAL's ambitions.

We have a capacity to produce 10 to 12 Dorniers a year. But the import squeeze...has forced us to limit production to about five aircraft a year. The exchange crunch is even worse this year," admits Mr G.S. Singhal, the general manager.

Though the HAL Dorniers are said to be cheaper than their German counterparts, it requires as much as 40 percent imports on raw materials and other components. Mr Singhal hopes this will come down to about 20 percent in the next three years.

But while transferring the technology, the German parent company has limited the HAL's market reach to

only south Asia and east European companies. It has also banned HAL sales in the lucrative Gulf and other regions.

This had not make much of a difference, so long as the HAL was inward-looking. But it now wants to expand territory, and the "agreement" is posing major obstacles in its path.

Nepal, which has 42 airfields in its hilly terrain, expressed keenness for Dorniers, senior HAL officials even went to that country for demonstrations, but Nepal finally backed out, citing financial difficulties. The HAL has so far been able to export only one plane to Mauritius, and one to the UB group for its air-taxi service.

The HPT-32, a trainer aircraft, is another important product of HAL, Kanpur. So far, 89 such aircraft have been produced for the Air Force and the Navy. An order for 30 more aircraft is being executed. All-metal and fully aerobatic, equipped for night-flying, the HPT-32, although considered ideal for instructional flying and liaison duties, is yet to find a foreign buyer. The HTT-34, a turbo-prop basic trainer, has been abandoned after a single piece was produced, as the Air Force felt its requirements were not being met.

The HAL's only steady source of foreign exchange earnings is an agreement with the British Aerospace for supplying tailplanes for their advanced turbo prop (ATP) aircraft. This, and some repairs undertaken for Bhutanese aircraft, are expected to fetch the HAL around Rs 1.75 crore this year.

The Kanpur division also has facilities for major servicing and repair tasks, besides full-fledged workshops for testing components of different aircraft systems—avionics, electrical and mechanical instruments and hydraulics. But, so far, its effort to attract foreign customers has met with limited success.

The foreign exchange squeeze has created a Catch-22-like situation for defence units in the country, like HAL. Senior company officials are conscious of the need to increase exports; they also point out how highly motivated employees worked 12 to 14 hours and did not demand overtime wages during 1989-90, and near-total capacity was achieved. But now, import restrictions have brought down the production by nearly one half.

But in the final analysis, there is a strong feeling that as defence exports are an "art"—commissions and other forms of skulduggery are all too common in the field—it would be prudent if the Government set up an independent company for undertaking exports, rather than asking the rule-bound individual PSUs to do so.

Defense Laboratories Opened to Private Industry

92AS0427A Calcutta *THE TELEGRAPH* in English
22 Nov 91 p 8

[Text] New Delhi, Nov. 21 (PTI)—The defence minister, Mr Sharad Pawar, today announced that Indian industry could now use defence laboratories to introduce new technologies and high quality in their products to meet stiff international competition.

Citing the example of France and the United States, who benefited by the adoption of military technologies in the civil sector, the defence minister stressed, "We must endeavour to move forward by sustained and well-directed cooperative effort between our various research and development institutions, public sector undertakings and private sector industrial establishments.

"If we can succeed in this effort, there is no reason why we cannot become a global player."

Making a fervent plea for ushering in a second industrial revolution in the country, Mr Pawar noted, "It is hightime to see how the different technologies can be applied in the economic development of the country and improving the quality of life for our poor and rural folks."

Stressing that the political independence of a country could not be sustained without economic independence, Mr Pawar highlighted the paramount role played by technology to enhance the integrated socio-economic development of the country.

On the role of technology in boosting productivity as well as export, Mr Pawar noted, "It is hightime we work together to build up industries based on technologies that are promising to revitalise our society."

In this context, he said, "There are two areas of technology with tremendous industrial potential—materials and bio-technology—which can play a critical role in the industrial development of the country.

"If the material for the first industrial revolution was iron and steel, now we have a wide range of materials like plastics, high strength alloys and ceramics," he added.

They have made products light, more efficient and even aesthetically attractive, he noted.

"In another area is bio-technology which, through genetic engineering and recombination of genes, is promising to provide better chemicals, pharmaceuticals.

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